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WORLD WHEAT PROSPECTS

Summary

January 1 stocks of wheat in the United States this year are indicated to be about 420,000,000 bushels, on the basis of which it now seems likely that the July 1 carry-over may be 145,000,000 bushels or less, according to the Bureau of Agricultural Economics.

The 1935 wheat crop in the United States may be somewhat less than 700,000,000 bushels unless precipitation in the western Great Plains area is above average.

Present estimates indicate that the surplus of wheat available for export or carry-over in the principal exporting countries together with port stocks and quantities afloat was about 220,000,000 bushels less than a year earlier. Wheat for export or carry-over in the Danube Basin on January 1 was about 15,000,000 bushels less than the year before.

The continental European deficit of wheat for the 1934-35 year is now estimated by the Bureau of Agricultural Economics to be around 400,000,000 bushels. With most of the import countries having refrained as much as possible from importations during the early part of the season in order to use up wheat from the domestic crop and carry-over, it seems likely that there will be a heavier import movement in the second half of the year and that this factor will exert its influence towards improving the world wheat market condition.

Preliminary reports of winter wheat sowings from 11 countries which last year represented nearly 40 percent of the Northern Hemisphere wheat area, excluding Russia and China, indicate an increase over last year of 5 percent in

acreage sown. Data so far available for Europe show an increase of 4 percent.

The continental bread grain situation during December was featured by continued mild weather, which was generally favorable for crop growth, a marked change in the French wheat policy, and somewhat increased trading activity due to pre-holiday demands. Europe generally has experienced one of the mildest falls, including December, in many years and, though rainfall except in certain areas has not been abundant, the crop growth has made for a very good start of the 1935 bread grain crops.

United States Wheat Supplies as of January 1 and July 1

Present indications point to January 1 stocks this year as about 140,000,000 bushels less than the stocks of a year previous. The total of stocks on farms, commercial stocks, tentative estimates of merchant mill stocks, and Murray's estimate of country elevator and mill holdings, amounts to about 420,000,000 bushels for January 1 this year, which compares with a total in the same positions of 559,000,000 bushels a year ago and 701,000,000 in 1933.

This total of stocks may be considered closely comparable to the total which is regularly used in arriving at the carry-over as of July 1. The various sources used in arriving at the two totals are the same except that the January 1 figures given above of country elevator and mill stocks are estimates of Nat. C. Murray, whereas the July 1 figures of carry-over include the Department of Agriculture estimates of interior elevator and mill stocks. Official estimates of the Department for January 1 will be available January 25. While data on merchant mill stocks will not be available until later this month, it is expected that they will be less than for other recent years because such stocks have been heavily drawn upon and that they may amount to about 110,000,000 bushels, including wheat owned and stored for others and in transit, compared with 150,000,000 bushels last year and 135,000,000 bushels in 1933.

Table 1 shows figures of estimated stocks in the different positions as of January 1 for the years 1931 to 1935, inclusive. Some revision in the January 1, 1935 figures is to be expected when the official estimate of country elevator mills is published and when the Bureau of the Census data become available.

There is probably some duplication involved in the figures as given. On the other hand, there is also some wheat which is not included in the total. Whatever the duplication or omissions involved, it is significant that the stocks included cover most of the wheat existing in the United States, and are compiled on a comparable basis from year to year. Hence, the year-to-year changes are highly significant, and their accuracy depends primarily upon

the accuracy of the individual items included and not upon the extent of duplication or omissions involved.

The amount of the total stocks which will be utilized during the period January to June 1934 is uncertain, primarily because of uncertainties as to the amount of domestic wheat which may be fed this year. Last year the July 1 carry-over was 289,000,000 bushels, January to June net exports having been 17,000,000 bushels and domestic disappearance 253,000,000 bushels. This year feeding of wheat will no doubt be heavier than last. The amount of domestic wheat fed during the second half of the year will depend in considerable degree upon the extent to which Canadian wheat is imported for feeding purposes. Large imports would tend to reduce the amount fed. Similarly, although the amount used for seed will probably be larger this year than last, domestic supplies are short and considerable amounts of Canadian-grown seed will be used so that total utilization of domestic wheat for seedings will no doubt be less than last year. However, most of this wheat has probably already been imported and appears in the January 1 stocks. After making allowance for a small amount of exports and a considerable amount of imports (mostly feed wheat) it seems likely that total utilization of domestic wheat and of wheat already imported may amount, during the period January through June, to about 275,000,000 bushels. Hence, if stocks as of January 1 actually prove to be about 420,000,000 bushels, this would indicate a carry-over on July 1 of about 145,000,000 bushels.

Table 1.- Wheat stocks in the United States on January 1, 1931-1935

Item	1931	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
On farms	258.9	322.5	273.0	196.5	156.0
"Commercial"	199.6	226.9	168.5	132.5	90.9
Country elevators and mills (Murray)	137.0	88.0	124.0	100.0	82.0
Merchant mills:					
For own account in mills and mill elevators attached to mills	95.0	97.0	112.0	105.8	(90.0)
For others	20.0	18.7	10.2	9.3	(8.0)
In transit (" in transit to and bought-to arrive" by merchant mills)	12.9	11.5	13.1	15.1	(12.0)
Total stocks	723.4	764.6	700.8	559.2	(418.9)

Wheat Production Prospects in the United States

The acreage of winter wheat sown in the United States last fall was nearly 6 percent larger than that sown a year earlier, but the condition as of December 1 was 77.8 percent, compared with 74.3 percent last year, and a 10-year average (1923 through 1932) of 82.4 percent. Indications on December 1 pointed to an abandonment in the neighborhood of 18 percent and a total crop of 475,000,000 bushels to be harvested in 1935. This compares with a winter wheat crop of 405,000,000 bushels harvested in 1934 and a total of all wheat amounting to 496,000,000 bushels.

The outturn of spring wheat is far more uncertain. Last year contract signers were required to reduce their acreage 15 percent as compared with the acreage planted in the base period, while only a 10 percent reduction from the base period acreage is being required this coming year. This change applied to the acreage of spring wheat in the base period would involve an increase of about 1,100,000 acres. The estimated sowings of last year amounted to 18,500,000 acres. Of course, the actual acreage seeded will depend in part upon planting conditions. It is also to be borne in mind that some of the increase in winter wheat may be at the expense of spring wheat in regions where both are grown, in which case the actually permitted increases in spring wheat would be less than suggested above.

The production for next year, however, will depend largely upon yields. With the winter wheat crop tentatively indicated on the basis of December 1 conditions to be somewhere around 475,000,000 bushels, if there should be average yields of spring wheat a total crop somewhat in excess of 700,000,000 bushels might result. However, it is likely that average yields of spring wheat will require more than average precipitation in the northwest Great Plains area during the spring months. Consequently, it would not be surprising to see a total wheat crop for 1935 of somewhat less than 700,000,000 bushels. Since domestic utilization is normally about 625,000,000 bushels, this would leave only a moderate surplus available for export. May futures at Chicago are now running in the vicinity of 20 to 25 cents per bushel above the corresponding futures at Liverpool whereas in order for any significant amount of exports to take place, they would have to be 10 to 15 cents below Liverpool.

Prices and World Shipments

Wheat prices in the United States averaged a little higher in December than in November. The United States average farm price of wheat as of mid-December was 90.6 cents per bushel compared with 88.1 cents in November, and 67.3 cents in December 1933. Market prices for the month also averaged higher. Thus No. 2 Hard Winter at Kansas City averaged 104.2 cents for December compared with 101.8 cents for November. Small advances were recorded in monthly weighted averages of other representative wheats, except No. 2 Hard Amber Durum at Minneapolis which declined from 141.8 cents to 141.2 cents. Early in December there was a sharp rise in prices of both cash and futures of approximately 4 cents per bushel, the high point being reached on the 5th. Following this, however, prices gradually declined until the 20th of the month when they were slightly lower than on December 1. During the last 10 days of December and first 10 days of January there was an upward tendency and on January 7, May futures at Chicago closed at 101-3/4 cents per bushel compared with 99-3/4 cents on December 1. However, by January 15 they closed at 95-1/4 cents, following which time they have recovered somewhat, closing on January 19 at 98-3/4 cents. Much of the recent depressed condition of the market has been due to general uneasiness and liquidation. Weather conditions have not been favorable to the growing wheat crop in the southwest and there have been large withdrawals from public elevator stocks. In the foreign market where current balance between export shipments and takings by importing countries is especially important, a better import demand may develop during the second half of the season. Thus far during January the May futures at Liverpool have been running between about 22 and 25 cents per bushel lower than the corresponding option at Chicago.

Generally speaking, international trade was rather quiet during December. World shipments declined from a high point of 12,429,000 bushels for the week ended November 10 to a low of 6,409,000 bushels for the week ended December 15. They continued low, averaging about 7,000,000 bushels weekly for the 3 weeks following, rising to 9,357,000 bushels for the week ended January 12. The December decline in world shipments is a common occurrence especially in years when new crop shipments from the Southern Hemisphere do not show a marked increase during the latter half of December. Last year world shipments showed no very marked decline during December but shipments from both Argentina and Australia began to increase about the middle of the month. This year neither of these countries showed an increase during the latter part of December. Argentine shipments declined from a level of nearly 4,000,000 bushels weekly in November to about 2,000,000 bushels weekly during the latter part of December, whereas Australian shipments fluctuated around an average level of about 2,000,000 bushels weekly throughout both months. For the week ended January 5, Argentine shipments increased to 2,945,000 bushels, and the following week to 4,234,000 bushels, the highest levels since the week ended December 8 when 3,596,000 bushels were shipped. For the week ended January 19, Argentine shipments declined again to 3,237,000 bushels. Australian shipments rose from around 2,200,000 bushels for the first 2 weeks in January to 3,125,000 bushels for the week ended January 19.

Table 2.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	95	104	89	101	92	108	72	89	80	88	4/ 62	5/ 59
Low 3/	74	94	68	91	71	98	58	82	64	75	4/ 52	5/ 53
Dec. 22	84	99	77	96	80	105	64	83	68	77	52	6/ 55
29	86	100	78	97	81	106	65	84	68	77	52	6/ 56
Jan. 5	84	101	77	98	80	107	66	84	68	76	52	6/ 56
12	88	99	80	96	83	106	68	84	68	75	52	6/ 56

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ October 6 to date. Buenos Aires, November 1 to date.
4/ February and May futures.
5/ February and March futures.
6/ March futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Amber Durum Minneapolis 1/		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	90	116	87	107	91	120	104	149	92	105	77	87
Low 3/	81	108	75	99	79	113	91	136	76	98	66	82
Dec. 22	82	112	79	103	83	116	97	141	84	103	73	82
29	81	114	81	103	84	116	93	145	87	102	74	84
Jan. 5	82	108	81	103	84	116	99	143	89	102	75	84
12	84	111	82	103	86	120	92	147	90	105	74	

1/ Hard amber durum 1934.
2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
3/ October 1 to date.

Table 4.- Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, November 1934 - January 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Nov. 3	99.4	113.5	72.2	54.0	74.4	65.6	-	-	209
10	100.6	115.1	75.4	54.6	75.8	65.8	219	201	205
17	102.4	114.2	75.6	53.8	72.0	65.8	219	201	207
24	102.9	112.7	74.7	53.0	69.7	65.7	219	201	211
Dec. 1	103.2	113.6	74.8	55.1	70.8	65.6	219	201	218
8	107.5	117.3	75.5	57.2	71.8	64.1	220	203	212
15	105.5	118.4	73.8	56.9	71.0	65.2	220	203	211
22	103.0	116.1	71.9	55.4	69.0	64.0	221	203	
29	103.5	115.6	72.4	54.8	69.6	63.9			
Jan. 5	103.2	115.9	72.5	55.0	73.6	64.9			
12	102.9	119.8	72.9		73.8				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern
4/ Near futures
5/ Home-grown wheat in England and Wales.
6/ Domestic
7/ Central German wheat, wholesale trade price free Central German station.

World Trade and Exportable Surpluses

Present estimates indicate that the surplus of wheat available for export or carry-over in the United States, Canada, Argentina and Australia, together with United Kingdom port stocks and quantities afloat, was about 220,000,000 bushels smaller on January 1, 1935, than it was a year earlier and 334,000,000 bushels smaller than January 1, 1933. While the estimates of the surplus may be changed by revisions in crop estimates, particularly in the Southern Hemisphere countries, the difference is substantially enough to be very significant, especially after the great reduction last year as compared with January 1933. A year ago the January 1 surplus was indicated to be 907,000,000 bushels. Various revisions, primarily of crop estimates for Argentina, Canada, and Australia, have resulted in that figure now becoming 982,000,000 bushels, whereas present estimates of the surplus as of January 1, 1935, indicate a total of 762,000,000 bushels. A recent unofficial estimate placed the Argentine crop at not more than 240,000,000 bushels. If this is found to be ultimately correct the estimate of surplus will be correspondingly reduced.

In addition to the surplus in the above-mentioned countries, quantities still available for export in the Danube Basin and Russia must be considered. In the Danube Basin there apparently remained on January 1, 1935, a surplus of wheat available for export or for carry-over of about 20,000,000 bushels compared with about 35,000,000 bushels available as of the corresponding date a year earlier. In the case of Russia no satisfactory figure of export surplus can be arrived at, partly because of uncertainties as to estimates of the crop, but also because Russian wheat consumption varies greatly. Whatever the size of the Russian crop, small total shipments during the first half of the season suggest limited exports for the remainder of the year. Exports for the period July through December have amounted to only 2,800,000 bushels as compared with 19,800,000 bushels for the same period a year earlier and 15,000,000 bushels 2 years ago.

Total shipments of wheat from the principal exporting countries July 1 to January 12 as reported by trade sources amounted to 274,000,000 bushels compared with 275,000,000 bushels during the corresponding period of last year and 310,000,000 bushels 2 years ago.

Table 5 shows surpluses of wheat available for export during the period January through June, or for carry-over on July 1, in the four exporting countries, together with United Kingdom port stocks and quantities of wheat afloat. The largest decrease in the surplus is for the United States where the carry-over is estimated at 145,000,000 compared with a surplus for export or carry-over of 310,000,000 a year ago. No net exports are expected this year. The estimated carry-over in the United States is somewhat in excess of the average carry-over for the period, 1920-1928 of 125,000,000 bushels. It is assumed that the carry-over may now be expected to average somewhat higher as the result of the wheat program. In estimating the carry-over for the United States it was expected that there would be some net imports during the period January through June which would consist mostly of feed wheat. The exportable domestic wheat surplus of Canada is indicated to have been decreased by about 20,000,000 bushels from 284,000,000 to 263,000,000 whereas in Argentina there is a decrease of 26,000,000 bushels, from 198,000,000 to 172,000,000 and in Australia a decrease of 22,000,000 bushels, from 134,000,000 to 112,000,000.

Table 5.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, January 1, 1932 - 1935

Position	Jan. 1			
	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels
United States :				
Domestic wheat	437	405	310	1/ 145
Canadian wheat	25	14	14	28
Canada:				
Domestic wheat	230	316	284	263
United States wheat	29	7	2	1
Argentina	140	156	198	2/ 172
Australia	152	154	134	112
Total	1,013	1,052	942	721
United Kingdom port stocks:				
Wheat	22	7	17	(16
Flour (as wheat)	2	1	2	
Afloat for United Kingdom	13	20	11	
Afloat for Continent	9	11	5	(25
Afloat for orders	8	5	5	
Total	54	44	40	41
Grand total	1,067	1,096	982	762

1/ Estimated carry-over. It is expected that there will be some net imports during the period January - June consisting mostly of feed wheat.
2/ Based on the official estimate of 252,000,000 bushels. A recent unofficial estimate placed the crop at not more than 240,000,000 bushels. If this should be found to be ultimately correct the estimate of surplus will be reduced by an equal amount.

Estimated European Import Requirements for 1934-35

The Continental European deficit of wheat for the 1934-35 year is now estimated by the United States Bureau of Agricultural Economics to be around 400,000,000 bushels as compared with about 386,000,000 bushels a year ago. Estimates for the various countries are shown in Table 6. These estimates must of necessity include a range of possibilities because of the uncertainties involved. Many countries are finding it financially difficult to import as large quantities as desired. The estimates given here are somewhat below the estimates earlier in the season but they are still above last year's imports. The revision is mostly due to changes in crop estimates. France has made a definite shift to an export basis for the current season as a result of her large supplies due in part to a larger crop than at first expected and also due to her large carry-over. The crop estimate for Italy was also revised upward; besides Italy has endeavored to keep imports at a minimum. Small modifications were also made in the estimates for the United Kingdom, Germany, Sweden and Poland.

Table 6.- Estimated net imports (and exports) of wheat and flour, 20 European countries, 1933-34 and 1934-35

Country	Estimated net imports or exports (-) 1933-34	Preliminary estimate of net imports 1934-35
	Million bushels	Million bushels
United Kingdom	216	210 - 214
Germany	- 4	7 - 10
Italy	8	33 - 40
France	1/ 16	- 15 - -18
Belgium	41	41 - 43
Netherlands	24	24 - 26
Greece	12	10 - 12
Czechoslovakia	3/	11 - 15
Irish Free State	2/ 18	16 - 18
Switzerland	18	17 - 19
Austria	11	11 - 14
Denmark	12	12 - 15
Sweden	2	0 - 1
Norway	9	7 - 8
Finland	4	4 - 5
Spain	3/	- 0
Poland	- 2	- 1 - 1
Estonia	0	- - 1
Portugal	1	- - 1
Latvia	0	- 0
Total (20)	386	387 - 425

1/ With lag of 3 months behind official dates.
2/ Official report not available for entire year.
3/ Net exports of less than 500,000 bushels.

Most of the import countries have refrained as much as possible from importations during the early part of the season in order to use up wheat from the domestic crop and carry-over. This is indicated in Table 17 . A notable exception, however, is the case of Belgium which has imported considerably more this season to the end of November than a year ago at the same time.

As a result of this pronounced tendency on the Continent as a whole to postpone imports it appears that from August 1 to November 30, about 10 percent less wheat was imported this year than last, despite a considerably higher import deficit this season. It would seem likely, therefore, that there will be a heavier import movement in the second half of the year and that this factor will exert its influence towards improving the world wheat market condition.

Area and Condition of Fall-sown Wheat

Preliminary reports from 11 countries, which last year represented nearly 40 percent of the Northern Hemisphere wheat area, excluding Russia and China, indicate a larger area than in either of the past 2 years. The total area reported by these 11 countries is 82,513,000 acres, which is 5 percent above the 78,630,000 acres sown for harvest in 1934 and 4 percent above the 79,413,000 acres sown for harvest in 1933.

In Canada, practically all the winter wheat is grown in the Province of Ontario. The area sown in this Province in the fall of 1934 was estimated at 663,000 acres, a decrease of 5 percent from the 698,000 acres sown in the fall of 1933. The condition on October 31 was reported at 105 percent of the long-time average yield per acre compared with 96 percent a year ago.

Data so far available for Europe show an increase in wheat area of 4 percent over last year. The total area in the 9 countries for which estimates have been received is 37,544,000 acres compared with 36,082,000 acres sown for the 1934 harvest and 36,149,000 acres for the 1933 harvest. The countries which have published official statements on crop conditions, - Germany, Poland, France, Czechoslovakia, and Austria - reported conditions above average and also above last year. Weather conditions throughout the fall and early winter were favorable to crops. Extreme cold weather extending south into Italy was reported during the first part of January when the fields had little or no snow cover except in the higher regions.

About 20,000,000 acres of winter wheat have been sown in the Danube Basin, as compared with 18,900,000 acres in 1933 and with 19,000,000 acres, the 5-year average, 1928-1932. The increased acreage planted last fall as compared with a year earlier is due to favorable weather conditions at planting time and to relatively high wheat prices maintained during 1934 by various Government organizations in all Danube Basin countries. France has increased the winter wheat area to 13,007,000 acres compared with 12,770,000 acres last year and an average of 12,493,000 acres during the past 5 years. Winter wheat represents about 95 percent of the total wheat area in France. No estimate is yet available on the extent of winter seedings in Germany. Czechoslovakia has reported an increase of more than 5 percent, England and Wales 4 percent, Finland nearly 10 percent, and Lithuania 5 percent.

The first official estimate of the area sown to wheat in the Punjab, India, for the 1935 harvest is 9,709,000 acres, according to a cable from the International Institute of Agriculture. This estimate is 9 percent below the first estimate of the 1934 area and is 7 percent below the average area during the past 5 years. The condition of the crop is reported at 90 percent of normal compared with 95 percent a year ago.

Table 7.- Wheat: Area sown to winter wheat 1933-34 to 1935-36

Country	1933-34	1934-35	1935-36
	1,000 acres	1,000 acres	1,000 acres
United States	42,669	41,850	44,306
Canada	595	698	663
Total (2)	43,264	42,548	44,969
France	12,863	12,770	13,007
Czechoslovakia	2,160	2,099	2,212
Finland	34	50	55
Lithuania	393	403	425
England and Wales	1,660	1,759	1/ 1,830
Bulgaria	2,882	3,056	2/3/ 2,965
Hungary	3,890	3,818	2/ 3,904
Rumania	7,110	6,919	2/ 7,907
Yugoslavia	5,157	5,208	2/ 5,239
Total 9 countries	36,149	36,082	37,544
Total 11 "	79,413	78,630	82,513
Estimated Northern Hemisphere total winter and spring area excluding Russia and China	208,200	202,500	

1/ Based on a reported 4 percent increase over 1934.
2/ Estimated by the Danube Basin office of the Foreign Agricultural Service.
3/ The official estimate is 3,096,000 acres.

World Production in 1934-35

The 1934-35 world wheat production, exclusive of Russia and China, is now estimated at 3,423,000,000 bushels compared with 3,741,000,000 bushels in 1933-34 and 3,811,000,000 bushels in 1932-33. The only new estimates received during the past month were for Northern Ireland (363,000 bushels against 227,000 bushels in 1933) and for Kenya (653,000 bushels against 485,000 bushels in 1933).

The European total, excluding Russia, is 1,516,514,000 bushels, or about 570,000 bushels above the total estimated last month. In Russia official comment indicates that the 1934 grain harvests were relatively favorable but no definite crop statistics have appeared. This year's grain deliveries and purchases are reported as quite successful with the Government apparently expecting to have as much or more grain at its disposal than last year.

The estimates of the production of wheat in the three countries of the Southern Hemisphere for which reports are available, Argentina, Australia and the Union of South Africa, have not been changed during the past month. Agricultural Attaché Nyhus however cabled on January 18 that the production in Argentina is not expected to exceed 240,000,000 bushels as compared with the official estimate of 252,000,000 bushels.

Table 8.- Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	932,221	745,788	528,975	496,469
Canada	321,325	443,061	269,729	275,252
Mexico	16,226	9,658	12,122	10,104
Total (3)	1,269,772	1,198,507	810,826	781,825
Europe (29)	1,434,813	1,490,129	1,746,168	1,516,514
North Africa (7)	115,818	127,512	110,663	124,976
Asia (6)	508,739	459,639	515,328	510,171
Total N.Hemis. (45)	3,329,142	3,275,817	3,182,985	2,933,486
Argentina	219,696	240,[illegible]89	286,120	252,059
Australia	190,612	213,927	175,370	137,000
Union of South Africa	13,713	10,627	10,227	13,533
Total (3)	424,021	465,443	471,717	402,592
Total 48 countries	3,753,163	3,741,260	3,654,702	3,336,078
Estimated world production excluding Russia and China	3,854,000	3,811,000	3,741,000	3,423,000

Wheat Production, Trade and Consumption in Switzerland 1/

The apparent annual consumption of wheat in Switzerland in recent years has averaged about 23,000,000 bushels. Of the quantity of wheat consumed, domestic production supplies only about one fifth and imports from foreign countries the other four fifths. Both wheat production and consumption have increased in recent years. Production has increased from an average of 3,314,000 bushels in the period 1909-1913 to 4,1[illegible]1,000 bushels for 1929-1933, and total consumption for the same two periods increased from an average of 20,237,000 bushels to 22,785,000 bushels with per capita consumption increasing from 5.4 bushels to 5.6 bushels.

1/ Condensed from Foreign Crops and Markets, January 14, 1935.

Table 9.- Wheat: Acreage, production, yield per acre, trade and apparent consumption, average 1909-1913, 1924-1928, 1929-1933, annual 1929-1934

Year	Acreage	Production	Yield per acre	Imports 1/	Exports 1/	Apparent consumption 2/	
						Total	Per capita
	1,000 acres	1,000 bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:							
1909-1913	105	3,314	31.6	16,937	14	20,237	5.4
1924-1928	121	3,901	32.2	15,949	3/	19,850	5.0
1929-1933	135	4,131	30.6	18,668	14	22,785	5.6
Annual:							
1929	129	4,207	32.6	16,915	1		
1930	134	3,605	26.9	18,393	4		
1931	134	4,045	30.2	21,129	27		
1932	137	4,001	29.2	19,313	28		
1933	140	4,799	34.3	17,588	10		
1934		5,071					

Compiled in Foreign Agricultural Service Division from official sources.
1/ Years beginning July 1, except 1909-1913, which began August 1; no flour reported.
2/ Stocks at the beginning and end of periods disregarded.
3/ Less than 500 bushels.

Practically all importations of wheat are in the form of grain. Only an insignificant quantity of wheat is imported as flour. Annual wheat imports during the period 1929-1933 averaged about 18,668,000 bushels, representing an increase of 10 percent over the average of the 1909-1913 pre-war period.

According to import statistics published by the Swiss Government (see table 10), Canada, the United States, and Argentina, in the order named, have in recent years been the principal sources of Swiss imports of wheat. Since the depression, however, imports from the United States have shrunk to 670,000 bushels. Other countries from which Switzerland has imported considerable quantities of wheat in years past are Australia, Russia, Hungary, Rumania, and Germany. In pre-war times Russia was the chief source of supply. Exports of wheat and rye from Switzerland seldom in any year have amounted to more than a few thousand bushels.

Table 10.- Wheat: Imports into Switzerland according to countries of origin for the calendar years 1929 to 1933

Country of origin	1929	1930	1931	1932	1933
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States ...	2,765	4,237	4,324	1,752	670
Canada	9,075	9,058	8,679	10,087	8,830
Argentina	3,579	1,748	1,882	4,348	5,252
Australia	62	16	68	46	26
Russia		909	2,532	403	480
Hungary	1,566	523	1,047	215	1,862
Rumania		148	1,734	878	38
Germany	83	44	106	1,162	752
Other countries .	19	948	132	267	821
Total	17,149	17,631	20,504	19,158	18,731

Swiss Statistical Yearbook.

Wheats of strong baking quality are the kind chiefly wanted from foreign countries. Canadian spring, United States hard winter, and the better types of Russian and Argentine wheats are the sorts best liked. Under conditions which permit the miller full freedom of choice in the wheats he uses, a milling mixture that is considered to be typical of Swiss milling practice is one consisting of 30 percent Canadian, 20 percent United States hard winter, 25 percent Argentine, and 25 percent domestic and other wheats. Another mixture reported as being suitable is one consisting of 50 percent No. 1 and 2 Northern Manitobas, 30 percent United States hard winter, and 20 percent Swiss wheat. Nos. 1 and 2 Northern Manitobas are the grades of Canadian wheat most generally used at the present time. Some wheat of the No. 1 Hard Manitoba grade is also used and occasionally some of the lower grades, but these latter are less useful now than formerly owing to the fact that the compulsory use, under existing import regulations, of other inferior wheats makes it desirable that the Canadian wheats used be only of the better grades. As regards Argentine wheats, the premium qualities are mostly used. Bahia Blanca shipments of wheat of the Kanred variety are considered the best in quality.

In the production of bread flours, Canadian wheats are first in preference and United States hard winters second. Besides bread flour wheats, Switzerland uses approximately 2,200,000 bushels of durum wheat annually in the production of semolina for macaroni and similar alimentary pastes. Inasmuch as she produces practically no durum wheat, all the wheat of this type needed must be obtained from foreign countries. United States durum is suitable for this trade and much of it has been used in past years, but because of its relatively high price and the import regulations which have been in force in recent years, it is no longer possible to import any of this wheat into the country.

In regard to the common wheat produced in Switzerland approximately one fourth is spring sown and three fourths fall sown. Practically all of the wheat produced is of red color. The spring wheat is of semi-hard texture and is very similar in appearance to United States hard red spring wheats. The winter wheats are similar in physical appearance to the harder types of Michigan, Ohio, and Pennsylvania soft red winter wheats. It is probable that some durum wheat is produced in the mountainous sections bordering Italy, but certainly not to any considerable extent.

The Government requires a minimum flour extraction of 70 percent. The usual extraction, however, for the commercial mills at the present time is about 74 percent. Previously, when millers were free to import as much Canadian and United States wheats as they desired, it is said that flour extractions were about 75 percent.

The grain storage accommodations at Swiss mills are generally relatively greater than those at mills in other European countries. This is due in part, probably, to the geographical location and mountainous character of the country which affect the accessibility of outside sources of supply.

There are approximately 300 mills in Switzerland, only about 40 of which have a wheat grinding capacity of 10 metric tons (367 bushels) of more per 24 hours. Most of the mills are of small capacity and operate as custom mills. The largest mills, Moulin Cooperatif de Zurich, is of 80 metric tons (3,000 bushels) capacity. Zurich is the largest milling center in Switzerland.

Under authority of a law dated December 23, 1931, the Swiss Federal Council inaugurated a quota and licensing system for the importation of grains. Based on reciprocal trade agreements with other countries, grain importations are restricted to certain countries and definite limits are placed on the quantity that may be imported from each. The sum total of the quantities or quotas allotted to the various countries is fixed in accordance with the estimated domestic requirements, less domestic production. In addition to these import limitations which apply to the country as a whole, similar import quotas also are established for each mill based on its production capacity and on the volume of business done in past years.

The Swiss Government maintains ownership of about 3,000,000 bushels (80,000 metric tons) of foreign wheat as a national reserve for use in times of war and other emergencies. One half of this wheat is kept in storage houses owned or operated by the Government and the other half is stored in the warehouses and silos of commercial mills. The millers receive no compensation for this service, but are permitted to use the Government's wheat provided they substitute other foreign wheat for it, but the wheat substituted must actually be on hand. In this way the stocks owned by the Government can be renewed from year to year to prevent deterioration from age.

Special Bread-Grain Agreements 1/

German-Polish-Russian Rye Agreement

Negotiations were held at Moscow from December 10 to 14 between representatives of the state grain offices of Germany, Poland and the Soviet Union, in pursuance of the preliminary agreement signed on September 26, 1934, by the three countries and aiming at a joint regulation of exports of rye and rye flour. The agreement has been in force so far only between Germany and Poland, as the definite consent of the Soviet Union was still lacking. This consent, however, has now been given and the joint export agreement between the three countries took effect on January 1, 1935.

The three offices which are in charge of the execution of the agreement are the Reich Office for Grain, Feedstuffs and Other Agricultural Products of Berlin, the Polish Grain Export Bureau of Danzig and the Trade Agency of the Soviet Union at Hamburg. For the first 4 months the Reich Grain Office will direct the cooperative activity of the three offices, and from May 1 to July 31, 1935, the Polish Grain Export Bureau will assume that function. Should the agreement be prolonged beyond July 31, 1935, a later period will be under the direction of the Trade Agency of the Soviet Union at Hamburg.

The agreement between the three countries was discussed in some detail in the November issue of World Wheat Prospects.

Czechoslovakia-Rumania Agreement

In addition to the previously concluded purchase by Czechoslovakia of Yugoslavian wheat, a new agreement was arrived at with Rumania. It now appears that in the latter country consumption is reduced in favor of corn, which has released a wheat surplus not expected previously. The agreement with Czechoslovakia calls for delivery of 1,800,000 to 3,700,000 bushels of wheat.

New Government Regulations 2/

Germany

The "Economic Union of Wheat and Rye Flour Mills" has set the rye milling contingent for the month of December at 7 percent of the total seasonal contingent allotted to each mill, whereas the December quota for wheat had been fixed at 10 percent at the end of October. The "Economic Union" has further issued an ordinance-following previous stipulations - to the effect that the feed wheat, feed barley, and corn allotted for the manufacture of mixed feeds may constitute up to 30 percent of the mixed

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1/ Reported by Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany.
2/ Reported by Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany and Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia. Price quotations have been converted at current rates of exchange.

feed manufactured (in November only 20 percent).

Czechoslovakia

The Czechoslovakian Grain Monopoly has issued an ordinance according to which all farmers are required to offer for sale to the Monopoly or its agents on December 31, 1934 at the latest, all such grain as they intend to deliver during the first half of 1935. This appears to be largely due to a desire to increase the slow farm deliveries since the fixed price system is still in effect. The monopoly administration does reserve the right, however, to not pay the additional monthly premium (storage) above the basis fixed price for deliveries after January 1, 1935.

Austria

The Austrian Government is reported to be planning a new supporting action in favor of the so-called mountain farmers. This action will include duty-free importation of rye and of oats and delivery of these cheap lots to those farmers.

Rumania

Stocks accumulated by the Government Wheat Commissioner from stabilization purchases in Rumania totaled about 6,246,000 bushels at the end of November. On account of excessive offers from farmers, it had become necessary to provide for additional funds, which were supplied by the Government and the National Bank. Subsequently, the Government issued a communication that stabilization purchases will be continued until the end of the present marketing year. For next year's crop, which may be exceptionally large on account of the large acreage sown this fall, a new system of price stabilization will be adopted, based on the collection of a processing tax of 27 cents per bushel. The minimum price for the 1935 crop will be 82 cents per bushel (300 Lei per quintal) instead of the present $1.23 to $1.37 per bushel (450 to 500 Lei per quintal) f.o.b. mill. The problem of the compulsory delivery of foreign means of payment resulting from wheat exports has now been finally settled. All foreign credits from such exports must be delivered to the National Bank of Rumania at the official rate of exchange, in addition to which a 10 percent export premium and a 16 percent "compensation-premium" (collected from importers) will be paid to the exporter. Under the former system, when exporters were allowed to deliver foreign credits directly to importers, they often obtained a premium of 30 to 35 percent from importers.

Bulgaria

Continuing its attempt to improve the quality of Bulgarian wheat, the Government of that country has distributed about 147,000 bushels of selected wheat to farmers this fall.

The Continental European Wheat Market Situation during December 1/

The main factors appearing to give support to the international wheat market in early December were unfavorable crop reports from the Southern Hemisphere, including possible rust damage; decreased crop prospects in Australia, the maintenance of a favorable wheat demand in the Far East, which also recently took some French wheat, and continued import purchases of wheat by the United States. Later, the reports of the new French policy to dispose of her surplus stocks largely on world markets (a considerable portion to be in the form of denatured wheat, however), also more favorable reports on Southern Hemisphere crops and reduced demand from Europe caused considerable weakness in continental wheat market quotations.

Figures on visible supplies in continental countries present a miscellaneous picture (Table). From the middle of November to the middle of December, Antwerp port stocks declined while at Rotterdam they showed a slight advance. On the other hand, Rotterdam stocks remained considerably below those at this time last year, while Antwerp port stocks were about twice as high as a year ago. Berlin stocks of wheat and flour are also considerably above those of mid-December last year. German second-hand stocks continued about 50 percent above last year, while farm stocks remained much below, largely as a result of the reduced crop outturn this year.

Table 11.-Wheat: Stocks in specified continental European countries, November 15 and December 15, 1933 and 1934

Position	1933		1934	
	Nov. 15	Dec. 15	Nov. 15	Dec. 15
Ports:	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
12 principal cont. ports (including following) ..	8,940	8,183	---	---
Antwerp	2,010	1,620	4,148	3,458
Rotterdam	4,813	4,262	2,598	2,734
Hamburg	423	331	331	331
Germany-				
Berlin (wheat & flour) 1/	2,036	2,179	2,881	2,730
"Second hand" stocks (wheat & flour) 1/2/ ...	45,089	46,289	64,514	3/66,483
Farm stocks 1/	136,759	119,636	101,265	65,245
Other-				
Swedish mill stocks of wheat 1/	3,061	3,777	3,318	---

1/ First of the month.
2/ In warehouses and flour mills. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin and Hamburg data.
3/ Preliminary.

1/ Based on reports from Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, December 21, 1934, Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, December 19, 1934, and from L. D. Mallory, Assistant Agricultural Attache, Paris, January 8, 1935. All price quotations have been converted at current rates of exchange.

Germany

December trading on the German bread grain markets was characterized by increased rye offerings, but smaller marketings of wheat. Both movements have been due to the previously reported measures in regard to the fixation and fulfillment of delivery contingents for these two grains. During the time when rye offerings were scarce, flour mills resorted to the practice of returning the bran obtained from milling the rye. Though this, of course, took place at the fixed prices, it did insure farmers of supplies of mill feed and was an incentive to deliver more rye. Such a procedure, however, complicated business and it was promptly abandoned in December, when mills found themselves able to acquire sufficient quantities of rye without using this new method. The improved rye market supply situation was partly due to the arrival of larger quantities of Polish rye recently acquired by the Reich Grain Office.

German foreign trade in wheat and wheat flour during November continued to show the previously observed tendency which is characterized by negligible exports and moderate imports. From August 1 to November 30, a net import of 5,000,000 bushels of wheat and flour is reported. Much of these imports were apparently made directly by the Reich Grain Office and, of course, came in duty free. Net imports from the 1st of July to the end of November amounted to about 6,000,000 bushels.

France

The French Government issued authorization January 6 to export milling wheat to the extent of 3,674,000 bushels. An export bounty of $1.26 per bushel (70 francs per quintal) is to be paid to exporters of this wheat, in order to enable them to meet world wheat prices. One fourth of this amount or 918,000 bushels has already been sold.

Holland and Belgium

Demand for wheat on the part of Belgium and Holland during the first 3 weeks in December was of fair volume. Takings included mostly Argentine but also some Canadian Manitoba wheat. It seemed to be the belief of the Dutch and Belgian trade that the statistical position justified higher prices - an opinion which may have contributed to the increased buying in the pre-holiday period. An interesting feature of December buying was the preference shown for old crop Argentine wheats whereas transactions in new crop Plates were neglected as a result of widespread rumors concerning the unsatisfactory quality of the crop.

Czechoslovakia

Restricted volume of trading in bread grains was reported from Czechoslovakian markets, though some improvement occurred around the middle of December as a result of an increased flour business. The approaching holiday period made itself felt also in Czechoslovakia in the form of an increased demand for flour and resultant increase in flour mill purchases, particularly of high gluten content wheat.

Some difficulty, however, developed in regard to the possibilities of acquiring such wheat because of a peculiarity in the method of fixation of monopoly wheat prices. The monopoly price is fixed according to hectoliter weight with no consideration given to gluten content and cleanness; farmers therefore demand premiums for their better qualities or are otherwise reluctant to sell. It is reported that the question of quality premiums will be made the subject of investigation by the monopoly administration.

Austria

Improved holiday trading was likewise reported from Austria, with a larger turnover particularly in wheat of domestic and Hungarian origin. Negotiations were also continued in regard to the purchase of a contingent of 1,800,000 bushels of Yugoslavian wheat and of a larger quantity of wheat from Argentina, the former under a compensation deal, the latter to be obtained against liquidation of frozen Austrian claims in Argentina. Considerable rye purchases have also been made in Hungary as well as in Poland and Lithuania. The rye from Lithuania is taken in the place of a hog contingent previously agreed upon but which could not be shipped as a result of veterinary regulations placed in the way of such transit shipments by both Germany and Poland.

Poland

After making considerable sales of Polish rye to the German Grain Office and to other countries during the past several weeks, largely from its Danzig stocks, the Polish Grain Office resumed its market supporting activity on December 1. During December, Polish rye prices have shown a firmer tendency and advanced considerably on most of the local markets. The countries to which shipments of rye have been made, apart from Germany, include the United States, Canada, Austria and Belgium. Total rye exports from Poland so far this season have been large and apparently mostly from carry-over stocks, as relatively small crops were harvested this year. It is believed that some reimportation of certain grains might occur later in the season. Nevertheless, the substitution of increasing quantities of potatoes for feed, which appears to be going on and somewhat replacing rye and feed grain needs, may help to offset the reduced grain crops.

Latvia

Up to December 10, the Ministry of Agriculture purchased from farmers a total of about 109,000 short tons of grain of which 2,243,000 bushels were rye, 1,534,000 bushels were wheat and 1,000 bushels were barley. Only 197,000 bushels of rye and 276,000 bushels of wheat were sold on the domestic market, whereas exports amounted to 1,276,000 bushels of rye and 37,000 bushels of wheat. Alcohol manufacturers received 106,000 bushels of rye.

Danube Basin countries

During December, wheat prices on Danubian markets were slightly weaker than during November, principally as a result of the unusual seasonal inactivity of mills. At the beginning of December considerable speculative purchases were made at the Budapest future market, in view of the exports to Italy. Spot transactions were handicapped by small deliveries from farmers, who were expecting still higher prices. Stocks withheld in this expectation are

reported to be particularly important on Hungarian large estates. In Yugoslavia and Rumania, offers have been large, as a result of which the Rumanian Government Wheat Commissioner found it necessary to apply for additional funds.

The quantity of wheat available for export from the Danube Basin during the 1934-35 marketing year is now estimated to total about 29,000,000 bushels. Only about 9,700,000 bushels were exported between July 1 and December 31, 1934. December exports were only about 2,000,000 bushels due to the bad condition of country roads, to exaggerated prices asked by Hungarian farmers for good grade wheat, and to the Yugoslavian Privileged Export Company's decision to accept for export only entire barge-loads of wheat, i. e., at least 14,700 bushels in one parcel.

During December, Hungarian wheat was exported to Italy at a price of $1.27 per bushel, f.o.b. Hungarian frontier, and to Austria at $1.17 to $1.28 per bushel, f. o. b. Austro-Hungarian frontier. These prices are larger than the minimum price provided for in the Rome agreement. Yugoslavian wheat was mostly shipped to Czechoslovakia on the basis of an early obtained quota for 3,674,000 bushels.

Contrary to earlier official statements Rumania appears now to have a surplus over domestic needs and will soon begin to export wheat of the 1934 crop. An agreement has now been concluded with the Czechoslovakian Government, on the basis of which Rumania will export to Czechoslovakia 1,800,000 bushels of low-grade wheat from the stocks assembled by the Government wheat Commissioner. The sales price is not yet known but according to trade sources, it will be about 97 cents per bushel f. o. b. Bratislava, the Czechoslovakian Danube port. Sixty percent of the proceeds will be exchanged against Czechoslovakian goods and the remainder will be credited to the Czechoslovakian-Rumanian clearing account.

The Oriental Wheat and Flour Market 1/

China

Buying of foreign wheat during the week ended January 10 became the most active of the current year but declined the week following due to heavy arrivals and increased bookings. Shanghai and Nanking mills between January 1 and 10 bought 1,667,000 bushels of Australian old crop, 267,000 bushels of Argentine old crop and 33,000 bushels of Canadian for January shipment. The following week Shanghai and Tsingtao flour mills booked 560,000 bushels of Argentine, 859,000 bushels of Australian and 93,000 bushels of French wheat.

With low stocks of wheat at Shanghai, mills at present prefer to buy Australian wheat due to quicker delivery. Mills expect to continue purchasing some foreign wheat during the next 2 months. According to present information no increase in import duty on wheat is expected this winter. Tientsin and Tsinan mills are securing larger supplies of domestic wheat than a year ago, in spite of a smaller 1934 wheat crop in Northern China. This is believed due

1/ Based on weekly radiograms from the Shanghai Office of the Foreign Agricultural Service. Prices converted at the actual rate of exchange including official and private currency premiums.

to the fact that prices are higher this season making it more profitable for farmers to market their wheat. Flour production July to December this year and last year respectively for Tientsin mills were 1,131,000 and 1,029,000 barrels and by Tsinan mills 1,110,000 and 915,000 barrels. Buying of flour by the wholesale trade declined slightly due to the approach of financial settlements prior to the China New Year on February 4. Shanghai mills have been operating about 70 percent, with flour stocks for mid-January reported below normal at about 800,000 bags.

Tientsin December flour production was reported at 199,800 barrels. Shanghai imports amounted to 220,700 barrels and American 25,000 barrels, making a total of 245,700 barrels for December. Stocks at the end of December were 343,700 barrels.

The Shanghai wheat and flour market was mostly firm during the past month with the exception of the week of January 5 when there was a sharp price decline. Toward the middle of January the market generally weakened and prices declined to levels below those of a month earlier. Wheat prices, c.i.f., Shanghai duty included, were quoted in the January 18 radiogram as follows: Australian 73.6 cents per bushel in bags for February delivery; Argentine 73.0 cents in bulk also for February delivery. Domestic Standard was quoted at 72.8 cents per bushel for February delivery. Shanghai flour was 81.7 cents per bushel for January and 82.8 cents for February delivery. Australian flour, c.i.f. Hong Kong, was $2.80 per barrel of 196 pounds.

Imports of flour into Dairen in November were reported by the United States consul at that port as follows: Japan 1,132,000 bags, Australia 696,000, Shanghai 465,000; United States 10,000, Chosen 4,000, total 2,307,000 bags. Fairly active buying prevailed on the Dairen flour market the first half of December in spite of heavy arrivals prior to November 22, the date on which the new import duty on flour became effective. Imports of flour into Newchwang during October were reported as follows: Shanghai 417,000 bags, and Japan 384,000 bags.

Japan

There are no prospects for importations of American wheat into Japan in the immediate future, according to information transmitted by the Shanghai office of the Foreign Agricultural Service from Consul General Garrels at Tokyo under date of January 11.

Wheat prices at the mill in Tokyo on January 4 were quoted as follows (foreign quotations include duty and landing charges): Western White No. 2, $1.27 per bushel; Canadian No. 1, $1.27, No. 3, $1.16 per bushel; Australian $.97 per bushel. Domestic Standard $.78 per bushel. Portland wheat, c.i.f., Yokohoma was $.92 per bushel, duty and landing charges excluded.

Wheat imports into Japan during November were as follows: American 64,485 bushels, Canadian 269,570 bushels, Australian 1,073,375 bushels, others 16,411 bushels, total 1,423,841 bushels. Wheat stocks on January 4 were normal for this season.

Total flour exports in November amounted to 310,166 barrels of 196 pounds. Wholesale flour price at mills January 4 was 91.7 cents per bag. The domestic market was firm. Export demand was fairly good due to the demand in Manchuria before China New Year, which is the first week in February. Mills are operating near full capacity.

Japan foreign trade July to November this year, with 1933 comparisons in parentheses, were reported as follows: Total wheat imports 6,272,000 bushels (5,963,000), and total flour exports 1,367,000 barrels (1,300,500) of 196 pounds.

Table 12.-Wheat: United States exports by classes, 1920-21 to 1933-34

Year beginning July 1	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1920-21	18,421	31,937	162,544	59,296	21,070	293,268
1921-22	25,613	25,645	99,651	29,274	28,138	208,321
1922-23	13,975	43,188	61,165	22,770	13,853	154,951
1923-24	2,068	18,836	26,984	10,464	20,441	78,793
1924-25	21,567	33,816	120,578	8,333	11,201	195,490
1925-26	4,958	26,834	9,677	2,563	19,157	63,189
1926-27	2,174	21,970	73,123	31,352	27,631	156,250
1927-28	6,000	36,500	60,300	12,800	30,400	146,000
1928-29	2,200	47,500	35,000	3,000	15,400	103,100
1929-30	1,900	14,800	54,400	2,700	18,400	92,200
1930-31	600	12,100	47,300	2,600	13,700	76,300
1931-32	100	4,700	75,500	2,200	14,000	96,500
1932-33	---	1,700	17,000	---	2,200	20,900
1933-34	---	---	1,400	---	17,400	18,800

Division of Statistical and Historical Research. Computed from total exports by customs districts on the basis of inspections of wheat for export by ports and classes in the United States and Canadian Eastern Grain Division.

Table 13.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept.2 - Sept.29	133	108	152	221	847	1,147
Sept.30 - Oct. 27	13	58	121	190	581	952
Oct. 28 - Dec. 1	932	147	165	217	1,707	1,167
Week ended						
Dec. 8	385	1	56	79	648	372
15	1,240	0	53	50	1,489	235
22	783	19	43	19	985	108
29	985	10	46	37	1,201	184
Jan. 5	837	0	65	18	1,143	85
12	341	0	52	29	585	136

Compiled from a weekly report of the Department of Commerce.

Table 14.-Wheat: Imports for milling in bond and export and for domestic consumption, July 1, 1933 to January 12, 1935

Month	Imported from: Canada	Imported from: Other countries	Total	For export: Milling wheat 1/	For United States consumption: Milling & seed wheat 2/	For United States consumption: Feed wheat 3/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1933						
July	949	0	949	948	1	0
Aug.	984	0	984	982	2	0
Sept.	1,027	0	1,027	1,027	4/	0
Oct.	1,112	0	1,112	1,112	4/	0
Nov.	951	5/ 9	960	941	19	0
Dec.	853	0	853	849	0	4
Total July-Dec.	5,876	9	5,885	5,859	22	4
1934						
Jan.	864	0	864	855	9	0
Feb.	734	0	734	697	36	1
Mar.	1,145	0	1,145	1,121	24	0
Apr.	960	0	960	909	50	1
May	1,005	0	1,005	1,004	1	0
June	899	0	899	898	1	0
Total Jan.-June	5,607	0	5,607	5,484	121	2
Total July 1933 to June 1934	11,483	9	11,492	11,343	143	6
July	721	0	721	719	2	0
Aug.	1,452	0	1,452	1,020	432	0
Sept.	3,765	0	3,765	986	2,755	24
Oct.	2,335	0	2,335	1,248	1,021	66
Nov.	2,251	6/ 9	2,260	856	263	1,141
Dec.	7/1,022	0	1,022	467	(555)	
Total July-Dec.	7/11,546	9	11,555	5,296	(6,259)	-
1935						
Jan. 1-12	7/ 517	0	517	502	(15)	

Foreign Agricultural Service Division. Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ Includes wheat for grinding in bond for export which enters duty free, also wheat ground into flour for export to Cuba upon which a small duty is paid.

2/ Tariff of 42 cents per bushel.

3/ Tariff of 10 percent ad valorem.

4/ Less than 500 bushels.

5/ From Rumania.

6/ From France.

7/ Preliminary.

Table 15.-Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	25,087	8,062	12,062	Nov. 30
Canada	199,563	267,342	198,555	172,433	122,432	114,532	Dec. 31
Argentina	144,920	120,272	144,854	25,169	54,278	91,121	Dec. 31
Australia	155,451	148,552	86,509	19,264	24,334	23,266	Sept. 30
Russia	71,829	19,183	33,787				
Hungary	18,064	7,010	29,615	2,351	6,782	1,971	Sept. 30
Yugoslavia	15,569	1,162	855	557	202	1,166	Sept. 30
Rumania	37,481	179	248				
Bulgaria	11,795	3,144	4,769	663	1,287	7	Sept. 30
British India (L&S)	3,870	2,169	1/1,980	422	429	511	Aug. 31
Total	794,139	610,224	538,154				

	Shipments as given by trade sources						
	Total		Week ended			July 1-Jan. 19	
	1932-33	1933-34	Jan. 5	Jan. 12	Jan. 19	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,304	220,616	1,392	1,766	2,213	128,088	97,459
Canada, 4 markets 3/	289,257	184,213	953			123,462	
United States	41,211	37,002	85	136			
Argentina	113,412	140,128	2,945	4,235	3,237	59,780	99,449
Australia	153,400	90,736	2,204	2,188	3,185	49,712	58,250
Russia 4/	17,408	26,656	0	0	0	22,480	1,696
Danube and Bulgaria 4/	1,704	15,872	0	8	0	9,816	616
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	588,597	495,988				269,876	257,782
Total European shipments 2/	448,672	401,560	5,184			7/ 208,456	7/ 204,544
Total ex-European shipments 2/	164,256	123,352	2,736			7/ 58,760	7/ 62,176

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To January 5.

Table 16.-Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept. 2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct. 28-Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Week ended								
Dec. 8	592	3,596	1,124	1,240	360	0	3,720	2,696
15	844	1,552	1,596	1,908	552	0	3,984	1,768
22	1,628	2,072	2,404	2,540	616	0	3,528	1,968
29	1,952	1,520	2,940	1,945	320	40	3,432	2,208
Jan. 5	1,060	2,945	1,024	2,204	352	0	3,616	1,392
12	2,400	4,235	1,968	2,188	72	8	4,360	1,760
19	3,148	3,237	2,976	3,185	280	0	5,184	2,213
Total July 1 - Jan. 19	59,780	99,449	49,712	58,250	9,816	616	128,088	97,459

Compiled from Broomhall's Corn Trade News.

Table 17.-Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported		
			July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Nov. 30	97	86
Germany	9	1/ - 4	Nov. 30	1/ - 3	6
Italy	13	8	Sept. 30	1	1
France	39	18	Oct. 31	7	3
Belgium	41	41	Oct. 31	12	17
Netherlands	26	24	Nov. 30	16	8
Greece	20	12	July 31	2	2/
Czechoslovakia	7	3/	Nov. 30	1	3/
Irish Free State	4/ 18	4/ 19	Nov. 30	4/ 8	4/ 8
Switzerland	19	18	Nov. 30	9	7
Austria	13	11	Oct. 31	3	3
Denmark	12	12	Nov. 30	7	7
Sweden	4	2	Nov. 30	1	3/
Norway	8	9	Nov. 30	4	3
Finland	4	4	Oct. 31	2	1
Spain	8	3/	Oct. 31	3/	3/
Poland	1/ - 1	1/ - 2	Nov. 30	2/	1/ - 2
Estonia	2/	2/	Oct. 31	2/	0
Portugal	3	1	Sept. 30	2/	2/
Latvia	2/	0	Sept. 30	0	0
Total	460	389		167	148

Compiled from official sources.
1/ Net exports.
2/ Less than 500,000 bushels.
3/ Net exports of less than 500,000 bushels.
4/ Total imports.

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WORLD WHEAT PROSPECTS

Summary

Estimates of the winter wheat area in the 15 countries, not including Russia, for which reports are available, indicate an increase of 2.3 percent over the area sown in the same countries last year when they represented over 60 percent of the estimated Northern Hemisphere wheat area excluding Russia and China. India, Germany and Canada are the only countries thus far reporting a decrease. The Russian winter wheat acreage for 1935 is reported as having been increased by 6.5 percent and the winter rye acreage decreased by 4.0 percent, the aggregate winter wheat and rye acreage showing a small decrease compared with last year.

The condition of winter wheat and rye on the whole appears generally favorable although soil moisture is still deficient in southwestern areas of the United States and parts of North Africa and Russia. Although alternate freezing and thawing has occurred in parts of Europe no serious damage is apparent.

World shipments rose rather abruptly from their low levels of December in harmony with the usual seasonal trend. The increase has been due mostly to increasing shipments from Argentina. The February 1 surplus of wheat available for export or carry-over in the principal exporting countries, including the Danubian countries, together with United Kingdom port stocks and quantities afloat, is indicated to be at least 265,000,000 bushels less than last year.

Wheat stocks in the United States on January 1 now appear to have been about 130,000,000 bushels less than the stocks a year ago. After making allowance during the second half of the crop year for a small amount of

exports and some imports to be used mostly for feeding purposes, it seems likely that total wheat stocks on July 1, 1935 may be about 150,000,000 bushels.

Trading in wheat and flour in central and northern European countries during the month of January exhibited a quiet character. Domestic wheat in most countries moved fairly steadily into consumption while buying of foreign wheat remained restricted to current needs for mixing or special feeding purposes.

Acreage Sown and Crop Conditions

The estimates of winter wheat acreage in the 15 countries, not including Russia, for which reports are available, total 134,596,000 acres, an increase of 2.3 percent over the 131,600,000 acres reported last year when these countries represented over 60 percent of the estimated Northern Hemisphere wheat acreage, excluding Russia and China. India and Canada are the only countries thus far reporting a decrease.

The wheat acreage in 12 European countries, excluding Russia, is reported at 56,469,000 acres compared with 54,766,000 acres last year. The acreage sown in Russia is officially estimated at 31,800,000 acres compared with 29,900,000 acres last year. All of the countries reporting up to the present time excepting Germany have estimated some increase in the sowings.

A small decrease is reported in the acreage sown to rye. Table 2 on page 5 lists the countries for which reports are available. These countries in 1934 represented nearly one half of the estimated European rye acreage, excluding Russia, while the countries included in the wheat table represented nearly 65 percent of the European wheat acreage.

A decrease of more than 1,000,000 acres is reported in India. Unfavorable conditions prevailed early in the season but recently some improvement has been noted.

The Russian winter wheat acreage for 1935 was increased by 6.5 percent and the winter rye acreage decreased by 4.0 percent compared with the preceding year, according to cabled advices from the International Institute of Agriculture at Rome. The aggregate winter wheat and rye acreage has shown a small decrease. This is, however, the fourth consecutive year that the aggregate acreage of the two winter cereals declined. Winter rye and wheat account for the great bulk of the total Russian winter acreage and are of considerable importance from the standpoint of Russian bread-grain production. The two winter cereals constituted 66 percent of the combined (winter and spring) wheat and rye production in 1930 and 68 percent in 1933.

The Russian winter wheat acreage is still less than the 32,258,000 acres, specified in the plan. Thus the winter wheat plan which was increased this season remained slightly unfulfilled. The winter rye acreage is estimated at 58,519,000 acres. The plan did not specify the rye acreage but simply gave a figure for the total winter acreage. Since small quantities of barley, sunflower seed, and other crops are also seeded in the autumn, it is impossible to state definitely whether the plan was fulfilled for winter rye. Winter rye acreage, however, has been decreasing during the last 5 years, while the reverse was true of winter wheat acreage. The upward trend in winter wheat acreage is in line with the Government policy of extension of winter wheat cultivation, both in the old growing regions and in the new, particularly the more northern grain deficit regions. The 1934 autumn seeding campaign was characterized by earlier seedings than in any year since 1930. This is an important fact in view of the well established detrimental effect of late seedings on yield. Notwithstanding the progress made in this respect, sowings in a number of regions were not completed within the officially prescribed period. 1/

1/ World Wheat Prospects for November 1934, page 13, contains a detailed discussion on this point.

Table 1.- Soviet Union: Sown and planned acreage of winter wheat and winter rye, 1930-31 to 1934-35

Year	Winter wheat		Winter rye	
	Area sown	Area planned	Area sown	Area planned
	Million acres	Million acres	Million acres	Million acres
1930-31	29.0	30.5	69.4	74.6
1931-32	32.3	37.1	64.8	67.8
1932-33	28.1	36.1	63.0	63.8
1933-34	29.9	31.1	61.0	-
1934-35	31.8	32.3	58.5	-

Official sources and International Institute of Agriculture.

Condition

In the United States a considerable part of the Western Great Plains area is still deficient in moisture, but from central Kansas east, weather conditions appear to have been fairly favorable. It is not likely that the present deficiency of moisture in the extreme western portion of the winter Wheat Belt can be entirely made up, even if there should be plentiful late winter and spring rains. In the spring wheat region of the Northern Great Plains of the United States and in Canada, on the other hand, the outturn of the crop will be largely dependent upon rainfall during the spring months. If plentiful and timely rains occur during this period, yields may be equal to or above average. The deficiency of sub-soil moisture, however, will probably result in less than average yields in the spring wheat area if weather conditions during the spring and early summer are not more favorable than average.

During the early part of January severe cold weather spread over most of Europe. This freezing weather came while there was hardly any snow cover but it was soon followed by a rather general snow fall. The cold period, however, did not last long and after a week or 10 days mild weather again prevailed causing the snow cover to melt in most districts. The appearance of the winter crops is reported to be generally very good with heavy stands. The official condition figures, especially for rye, are average or above in most countries. In some cases they show improvement since earlier in the season. There seems to be no very close relationship, however, between the condition figures as reported during the fall and winter and the final crop outturns. It is still too early to indicate whether any significant damage occurred as a result of the sudden cold spell around the middle of January when the crops were unprotected. Some damage would quite likely result, however, should another cold spell arrive soon with the ground in a generally moist condition and without snow cover. Winter kill on the other hand has rarely been a particularly critical factor in European crop production.

Crop conditions in the countries of the Western Mediterranean Basin were generally good at the middle of January. Following the widely distributed rains of November exceptionally mild weather prevailed which favored some areas and was detrimental to others. Cold weather set in toward the end of the month.

The Paris office of the Foreign Agricultural Service reported that North African prospects, while not excellent, are still good. It is perhaps significant that the areas where less favorable conditions prevail are the main producers of bread wheat, while the durum regions have been little damaged with the exception of late native sowings in Morocco.

Winter weather in most of the Soviet Union started earlier than in the rest of Europe. Temperatures were below freezing during December and there was some snow cover, though this was not very heavy in many places. In fact, there was no cover at all in the important winter wheat producing regions of Crimea, western and extreme southern Ukraine, and temperatures in these regions ranged from around freezing to little above zero. During early January, a severe cold wave spread over the country, particularly in the central, southern, and southwestern sections, with temperatures dropping considerably below zero, in some cases 30 degrees below or more. It is true, along with the drop in temperature snow fall occurred, but it may have proved insufficient to protect the plants in some sections. This seems to be particularly the case in southern and western Ukraine, White Russia, in the Western Region and parts of the North Caucasus area.

Reports to date, on the whole, indicate that the Russian crops have stood the effects of the cold "satisfactorily". Nevertheless, a local report from Dnieprepetrovsk (southern Ukraine) indicated that, while the condition of early and medium early-sown winter crops appear to be generally favorable, late-sown crops have suffered considerably from the cold. This region is reckoning with the possibility of a very thin stand of late-sown crops and is preparing to supplement thinned-out fields by spring wheat. Though, as pointed out above, a much larger winter acreage was seeded at an earlier period last autumn than in previous years, it should also be kept in mind that germination and autumn growth were not particularly

favorable in certain cases due to the continued dryness of the soil. Thus, some of the crops entered the winter in a rather weak condition and may perhaps be more susceptible to damage than is usually the case.

Table 2.- Winter wheat and winter rye: Acreage sown in specified countries, 1933-34 to 1935-36

Country	1933-34	1934-35	1935-36
	1,000 acres	1,000 acres	1,000 acres
Winter wheat			
United States	42,669	41,850	44,306
Canada	595	698	663
Total (2)	43,264	42,548	44,969
Italy	12,504	12,030	12,165
France	12,863	12,770	13,007
Germany	5,011	4,668	4,609
Greece	1,712	1,986	2,020
Czechoslovakia	2,160	2,099	2,212
Finland	34	50	55
Lithuania	393	403	425
England and Wales	1,660	1,759	1/ 1,830
Bulgaria	2,882	3,056	3,096
Hungary	3,890	3,818	2/ 3,904
Rumania	7,110	6,919	2/ 7,907
Yugoslavia	5,157	5,208	2/ 5,239
Total (12)	55,376	54,766	56,469
India	31,831	34,286	33,158
Total 15 coun.	130,471	131,600	134,596
U.S.S.R.	28,058	29,900	31,800
Winter rye			
United States	4,470	5,027	5,697
Canada	472	680	631
Total (2)	4,942	5,707	6,328
Germany	11,019	10,931	10,670
Bulgaria	489	440	465
Czechoslovakia	2,539	2,415	2,428
Finland	575	606	628
France	1,859	1,659	1,607
Hungary	1,665	2/ 1,611	2/ 1,587
Lithuania	1,201	1,216	1,260
Rumania	924	848	951
Yugoslavia 3/	670	650	667
Total (9)	20,941	20,376	20,263
Total 11 coun.	25,883	26,083	26,591
U.S.S.R.	63,000	60,950	58,500

Compiled from official sources except as otherwise noted.

1/ Based on a reported 4 percent increase over 1934.

2/ Estimated by the Belgrade office of the Foreign Agricultural Service.

3/ Includes Moslin.

World Trade and Surpluses

World shipments rose rather abruptly from their low levels of December and for the past 4 weeks have been averaging about 10,000,000 bushels weekly. Such an increase is usual at this season of the year, however. The increase has been due mostly to increasing shipments from Argentina, which reached 4,805,000 bushels the week ended February 2 and were 4,570,000 bushels the following week. Last year shipments were high throughout most of February, reaching the peak of 4,944,000 bushels for the week ended March 10; 2 years ago the week ended February 18 was highest with 5,184,000 bushels. The movement from Australia since the first week in January has averaged somewhat less than for the same period last year. A total of 16,000,000 bushels was shipped during the first 6 weeks this year compared with 14,000,000 for the same period a year ago. The peak for Australia was reached in the first week in February last year, and the last week in February 2 years ago. North American shipments have continued at a low level, but have been increasing. The total for North America since the first of the year is only about half of what it was for the same period last year. Table 3, page 7 show shipments from principal exporting regions.

The February 1 surplus of wheat available for export or carry-over in the principal exporting countries, together with United Kingdom port stocks and quantities afloat, is estimated at 899,000,000 bushels compared with 951,000,000 bushels a year earlier, 1,048,000,000 bushels in 1933, and 1,025,000,000 in 1932. The greatest decrease from last year, of course, is in the United States, which country is entirely removed this year from the net export class. Stocks in Canada are about 18,000,000 bushels less than last year, while in Australia they are about 27,000,000 bushels less than in 1934. The greatest decrease, with the exception of the United States, is in the case of Argentina, which, on the basis of trade estimates of 225,000,000 bushel production, is over 50,000,000 bushels less than last year.

In the Danube Basin there remained apparently a surplus available for export or for carry-over on February 1 of about 20,000,000 bushels compared with about 33,000,000 bushels for the corresponding date a year earlier. Small total shipments of less than 2,000,000 bushels from Russia during the first half of the season, compared with about 20,000,000 bushels for the same period a year earlier, suggest only limited exports from Russia for the remainder of the year.

Table 3.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, February 1, 1932 - 1935

Position	Feb. 1			
	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	430	402	306	1/ 145
Canadian wheat	22	11	10	25
Canada:				
Domestic wheat	219	300	275	257
United States wheat	29	7	2	1
Argentina	126	140	182	2/ 127
Australia	131	132	124	97
Total	957	992	899	652
United Kingdom port stocks:				
Wheat	16	6	13	(14
Flour (as wheat)	2	1	2	(
Afloat for United Kingdom	19	24	17	12
Afloat for Continent	14	14	9	8
Afloat for orders	17	11	11	13
Total	68	56	52	47
Grand total	1,025	1,048	951	699

1/ Estimated carry-over. It is expected that there will be some net imports during the period January - June consisting mostly of feed wheat.
2/ Based on an unofficial estimate of 225,000,000 bushels. The official estimate placed the crop at 252,000,000 bushels.

United States Wheat Supplies

Wheat stocks in the United States on January 1 now appear to be about 130,000,000 bushels less than the stocks a year ago. The total of stocks on farms, commercial stocks, Murray's estimate of country elevator and mill holdings, and merchant mill stocks including wheat owned and stored for others and in transit amounts to about 428,000,000 bushels as of January 1 this year, which compares with a total in the same positions of 559,000,000 bushels a year ago and 701,000,000 in 1933.

Table 4 shows figures of estimated stocks in the different positions as of January 1 for the years 1931 to 1935, inclusive. An upward revision of 9,000,000 bushels in the preliminary estimate was made necessary on the basis of the subsequently published Bureau of Census data for merchant mills which have been raised to 100 percent.

The interior mill and elevator stocks as estimated by the Bureau of Agricultural Economics amounted to 93,485,000 bushels January 1, 1935, but no comparable figures were published for earlier years. If comparable figures for earlier years were available, it is likely that they would be higher than Murray's estimates and this would necessitate a larger

allowance for the January to June disappearance than has been made. It is assumed that the figures used for such stocks in the table are comparable 1 year with another.

The amount of wheat which may be utilized during the period January to June 1935 is uncertain, primarily because of uncertainties as to the amount of domestic wheat which may be fed this year. It is expected that feeding during the second half of the year will continue to be heavy, but the amount will depend to a considerable degree upon the extent to which Canadian wheat is imported for feeding purposes. As indicated in the last issue, aftermmaking allowance for a small amount of exports and a considerable amount of imports (mostly feed wheat) it seems likely that total utilization of domestic wheat and of wheat already imported may amount during the period January through June to about 275,000,000 bushels. On the basis of January 1 stocks being about 428,000,000 bushels, such a utilization would indicate a carry-over on July 1 of about 150,000,000 bushels.

Table 4.- Wheat stocks in the United States on January 1, 1931-1935

Item	1931	1932	1933	1934	1935
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
On farms	258.9	322.5	273.0	196.5	136.0
"Commercial"	199.6	226.9	168.5	132.5	90.9
Country elevators and mills (Murray)	137.0	88.0	124.0	100.0	82.0
Merchant mills:					
For own account in mills and mill elevators attached to mills	95.0	97.0	112.0	105.8	96.3
For others	20.0	18.7	10.2	9.3	10.1
In transit ("in transit to and bought-to arrive" by merchant mills)	12.9	11.5	13.1	15.1	12.4
Total stocks	723.4	764.6	700.8	559.2	427.7

Prices

Wheat prices in the United States declined from mid-January to early February much the same as in foreign markets despite smaller world supplies and smaller exports for the same period than a year ago. The declining prices were accompanied by a marked seasonal increase in world shipments, largely the result of the seasonal increase in the Argentine movement. European markets, however, were partly relieved of the pressure resulting from these increased shipments due to the fact that a larger proportion of wheat (Australian) than usual has been absorbed by Oriental markets. Since early February prices have recovered, May futures at Chicago closing at 97-5/8 cents on the 15th. Wheat prices for the months just ahead will probably depend very largely upon the development of the 1935 crop.

The United States average farm price of wheat as of mid-January was 89.3 cents per bushel compared with 90.6 cents a month earlier, and 69.4 cents in January 1934. No. 2 Hard Winter at Kansas City declined from an

average of 107.5 cents for the week ended December 8 to 102.9 cents for the week ended January 12, and 97.8 cents for the week ended February 9. At Minneapolis, No. 1 Dark Northern Spring declined from 117.3 cents for the week of December 8 to 114.1 for the week ended February 9.

Table 5.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/...	93	102	86	98	88	108	70	85	70	77	54	4/56
Low 3/...	84	94	77	91	80	101	65	80	65	71	51	4/54
Jan. 19 ..	91	99	83	95	86	105	68	84	68	75	53	4/55
26 ..	90	97	83	93	86	104	68	83	66	75	52	4/55
Feb. 2 ..	92	96	85	92	88	103	69	83	66	73	51	4/54
9 ..	90	98	83	94	86	104	68	83	65	73	52	56

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ January 1 to date. 4/ March futures.

Table 6.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No.2 Hard 1/ Amber Durum Minneapolis		No.2 Red Winter St.Louis		Western White Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/...	93	114	87	103	92	120	114	147	93	105	78	86
Low 3/...	82	108	81	98	84	114	92	138	89	96	74	84
Jan. 19 ..	89	111	86	100	91	119	105	142	93	100	77	84
26 ..	90	114	85	100	91	118	111	145	91	100	75	86
Feb. 2 ..	93	113	87	99	92	117	114	139	92	96	78	85
9 ..	93	114	87	98	92	114	111	138	92	98	76	85

1/ Amber Durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ January 1 to date.

Table 7.- Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, December 1934-February 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 8	107.5	117.3	75.5	57.2	71.8	64.1	220	203	212
15	105.5	118.4	73.8	56.9	71.0	65.2	220	203	211
22	103.0	116.1	71.9	55.4	69.0	64.0	221	203	-
29	103.5	115.6	72.4	54.8	69.6	63.9	-	-	-
Jan. 5	103.2	115.9	72.5	55.0	73.6	64.9	223	206	-
12	102.9	119.8	72.9	55.2	73.8	62.5	222	205	218
19	100.5	118.8	71.1	53.8	71.3	62.1	221	204	218
26	100.2	117.8	71.6	54.0	71.9	63.1	221	204	219
Feb. 2	99.0	117.0	71.5	53.9	70.3		220	203	
9	97.8	114.1	71.5	54.2	68.6				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.
1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Fixed prices. It is reported that in recent months actual prices have averaged substantially below the fixed prices.

World Production in 1934-35

Few changes in the official estimates of the 1934 wheat production have been received during the past month. The final estimate of the Canadian crop released on January 24 is 275,849,000 bushels compared with the previous estimate of 275,252,000 bushels. The estimate of the 1933 production was revised at the same time and is now placed at 281,892,000 bushels, an increase of 12,000,000 bushels over the estimate carried during the previous year. Estimates of the European production remain approximately the same as those reported a month ago. Morocco, the only North African country reporting any change, increased its estimate from 31,232,000 bushels to 38,911,000 bushels compared with 28,902,000 bushels in 1933. The final report of Australian wheat production received through the International Institute of Agriculture placed the crop at 135,000,000 bushels compared with the previous estimate of 137,000,000 bushels and with the 1933 production of 175,370,000 bushels. The official estimate of 252,059,000 bushels for Argentina has not been officially changed but unofficial estimates are now between 220,000,000 to 230,000,000 bushels.

The first estimate of the production in New Zealand is 6,504,000 bushels compared with 9,036,000 bushels last year.

World production in 1934, outside of Russia and China, is now estimated to have been 3,395,000,000 bushels 1/ or about 10 percent less than in 1933. It may be of interest to note that in June we indicated that the crop might be about 7 percent less than in 1933. With the 1933 world total estimated at 3,713,000,000 bushels in June instead of 3,755,000,000 bushels, to which figure it has subsequently been changed, the percent of change would have been 9 percent.

There are still no official figures on the outturn of the 1934 Soviet Union grain crops. It was recently stated, however, by a high Soviet official that the 1934 grain production was 29.3 percent above that of 1932. As the official estimate of the 1932 grain crop amounts to 77,000,000 short tons, it would appear that the 1934 crop is placed by the Government at 99,600,000 short tons compared with 99,000,000 short tons in 1933. This estimate, as was pointed out previously, does not take into account fully the harvesting losses which from all reports appear to have been heavy in 1933. The same official further stated that, according to the state crop estimating commission, average grain yields in 1933 and 1934 surpassed those of the 1928-1932 average by 15.3 percent. With respect to spring wheat, he indicated that the 1934 yield amounted to 13.2 bushels per acre, which would be above any of the other post-war years. It was also officially stated that due to more efficient harvesting methods the supply of grain in the hands of the population will exceed that of last year.

The Abolition of the Bread-Card System in the Soviet Union 2/

The end of 1934 was marked in the Soviet Union by the official announcement 3/ of the abandonment, effective January 1, 1935, of the rationing system for breadstuffs distribution. A similar action, it is officially indicated, will follow in the near future with respect to other products. It is a step which has already required a number of major readjustments in the whole economic life of the country.

The recently discarded system of rationing of breadstuffs in Soviet Russia dates from 1928-29. It originated, however, during the years of the World War, when it was applied on a local and limited scale. Rationing became general with the growing dislocation of Russian economic life and widespread scarcity during the subsequent period of revolution and Civil War. With the inauguration by the Soviet Government of the regime of "New Economic Policy" or "NEP" 4/ in 1921-22, the restoration of the free market, and the subsequent recovery of Russian agriculture and economic life, the rationing of breadstuffs consumption in the cities became unnecessary. The Soviet Government, however, did not entirely relinquish the task of supplying urban population with breadstuffs, as the policy of

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1/ The 1934 world total includes 225,000,000 bushels for Argentina.
2/ Condensed from an article by L. Volin in Foreign Crops and Markets for January 28, 1935.
3/ Resolution of the Central Committee of the Communist Party of November 26, 1934, and the Decree by the Council of Peoples' Commissars of U.S.S.R. of December 7, 1934.
4/ For a more detailed discussion of the Soviet agrarian policy see "Foreign Crops and Markets", August 14, 1933.

industrialization required an adequate supply of cheap bread in the industrial centers. With this end in view, and also for export purposes, the Government was procuring large quantities of grain from the peasants and maintained an elaborate procuring organization. Restriction of private grain trade also began to be practiced and by 1927-28 the state achieved practically a monopolistic position in all but the strictly local grain trade.

In the meantime a grain crisis, manifested in grain shortages in the cities and procuring difficulties for the Government, developed in the Soviet Union. While unfavorable climatic conditions in 1927-28 and 1928-29 played their part, fundamentally this crisis was due to the fact that the increase of Russian commercial grain production did not keep pace with the increasing requirements of the rapidly growing population.

To combat the grain crisis, the Soviet Government, in addition to undertaking the reorganization of the agriculture of the country, on collectivist lines again adopted a system for the rationing of breadstuffs. This system remained in force throughout the period 1929 to 1934, including not only the years of poor crops but those of good crops also, such as 1930-31, when a considerable quantity of grain was exported abroad.

In 1934 nearly 50,000,000 people in cities and industrial centers were dependent on government rations of breadstuffs in one form or another. Moreover, about 24,000,000 of the agricultural population were partially supplied with grain by the Government. These farmers were located in regions specializing in production of various "technical" crops (flax, cotton, sugar beets, etc.) the stimulation of which was deemed necessary by the Soviet Government. Thus, over 40 percent of the total population of the Soviet Union was dependent upon the Government grain supply. Rations in one form or another were distributed, principally to industrial workers; state employees; producers of certain technical crops, such as cotton, flax, etc., who contracted with the Government for the sale to the latter of their output at fixed prices; fishermen, lumbermen, etc. All these classes were entitled to purchase specified quantities of breadstuffs (bread, flour, grits, etc.) at fixed prices which were considerably lower than prices prevailing in the free private market 1/ or in the state commercial stores. Those entitled to rations on the basis of bread cards were also divided into several classes with variation in the size and priority of rationed supplies. Persons not entitled to rations, primarily the so-called "declassed" (who engaged in private trade, for instance), were forced to rely on the private market or state commercial stores with their higher prices. There was, thus, in the case of breadstuffs, as in the case of a number of other products, a multiple price system in retail trade - a lower price scale fixed by the Government for the rationed supply and higher price scale in the state

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1/ Private trade, of course, has greatly decreased, but it has never entirely disappeared.

commercial stores and the free private market 1/. One of the principal objectives of the Soviet Government in the abandonment of the rationing system for breadstuffs was to do away with this multiple price system, eliminating both the relatively low rationed prices and the high free-market prices.

Beginning January 1, 1935, the whole Soviet Union was to be divided into eight zones and a single retail price for bread, flour, and grits established for each zone, with unrestricted sale of breadstuffs in state and cooperative stores. 2/ The zone with the lowest price of bread includes the cotton-growing regions of central Asia or Turkestan, where special concessions are considered necessary to prevent a shift of acreage from cotton to cereals. The next or second zone, with higher prices, includes most of the grain surplus area of European and Asiatic Russia, with the exception of the former central black-soil area, the Odessa and Dnepropetrovsk regions of Ukraine and Crimea. These regions are included in the third zone, with the Moscow region and other grain deficit sections of central and western Russia and also Transcaucasia. The inclusion of the two south Ukraine regions and Crimea in the third zone with more expensive breadstuffs is probably explained by the poor crops in 1934 which resulted from the drought. The Leningrad region, together with parts of the Ural and eastern Siberia, is in the fourth zone. The breadstuffs are most expensive in the eighth or last zone which includes remote regions of the Asiatic part of the Union.

Zones two to four include the bulk of the population of the Union. The price of rye bread (made from flour of 95 percent extraction) in this whole area varies from .90 to 1.1 rubles 3/ per kilogram (2.2 pounds); whole-wheat bread (made from flour of 96 percent extraction) from 1 to 1.2 rubles

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1/ There are also the so-called Torgsin (organization for trade with foreigne in U.S.S.R.) stores in which gold and foreign exchange is the only medium used in making purchases. In October 1934 bread prices in terms of gold seemed moderate and not far different from prices in the United States, accor ing to the observation of Dr. O.C. Stine of the United States Department of Agriculture. The prices in these stores, of course, reflect the great demand and high value to the Soviet Government of the means of international payment (gold and foreign exchange) to increase the supply of which has been the principal objective in the creation of the Torgsin. In general, this method of distribution of breadstuffs is of little importance.

2/ It is provided, however, that in order to avoid speculation not more than 2 kilograms of baked bread (4.4 pounds) and 1 kilogram of flour (2.2 pounds) are to be sold at a time to one person. Exception is made in the case of four regions where, on account of the backward condition of the state and cooperative baking industry, it is temporarily permitted to sell 2 kilograms of flour to a person at one time.

3/ A ruble is nomially equal to 51 gold cents at the legal par (old par $1.00 is now nomially equivalent to 1.12 rubles) of exchange; it has, however, greatly depreciated in value in recent years. There are no market exchange quotations and no published price indices which would make it possible to determine with any degree of accuracy the purchasing power of this currency. Torgsin prices suggest that the value of the gold ruble is about forty times that of the paper ruble.

per kilogram; wheat bread (made from flour of 85 percent extraction) from 1.8 to 2.2 rubles per kilogram.

A curious feature of the new price structure is that the price of flour is set at a considerably higher figure than the price of baked bread. Thus, in the second zone where the price of rye bread is .9 ruble per kilogram, the price of rye flour is 2.2 rubles or nearly two and one-half times as high. The desire of the Government to stimulate the purchase of baked bread, rather than flour, indicated by the high Soviet official, V. M. Molotov, in a speech published in the Soviet press on November 30, is the only explanation given for this disparity.

Equally curious is the very wide spread between the price of grits, an important article of Russian consumption, and bread. In the second zone, for instance, the price of buckwheat grits is set at 4.75 rubles per kilogram, and of wheat bread at 1.8 rubles per kilogram. In other words, a kilogram of buckwheat is two and one-half times more expensive than a kilogram of wheat bread. In 1931 the cooperative stores in the cities of Ukraine, most of which is not in the second zone, charged 0.17 ruble per kilogram for buckwheat grits and 0.14 ruble per kilogram for wheat bread 1/.

These figures also indicate the very considerable increase which took place in the prices of breadstuffs, at least for that numerous part of the population which could formerly buy bread, flour, etc., at rationed prices and traded little in the free market or commercial state stores. In 1931 the average prices in the cooperative stores of so important an article of Russian diet as rye bread was 0.09 ruble per kilogram (2.2 pounds). Today, the cheapest price in the first zone is 0.8 ruble per kilogram. In Moscow, a kilogram of rye bread costs 1 ruble and in Leningrad, 1.1 rubles. The price of rationed breadstuffs, as a matter of fact, had been increasing prior to the action taken in December 1934. The last important increase was made at the end of May 1934 and officially attributed at the time to the poor crop prospects in southern regions. The present increase of official retail prices of breadstuffs is, therefore, not as sudden as it may appear on the surface. Rather it must be looked upon as the culmination of an effort on the part of the Soviet Government to reduce the spread between the fixed and free market prices. It was stated by Soviet spokesmen that the free market prices have shown a downward tendency.

Among the reasons given for the abandonment of the rationing system are its costly character, wastefulness, encouragement of speculation through a resale of low-priced rationed bread 2/ and general negligence of consideration of the quality of the goods and taste of the consumer. The change is again in harmony with the new emphasis of the Soviet Government on commercial state trading 3/ versus rationed distribution. It is hoped that the state commercial trading will improve the standard of service and in general will prove more efficient than rationed distribution.

1/ "Statistical Abstract of U.S.S.R. for 1934", page 348.
2/ Some consumers, it is claimed, received a larger bread ration than they needed which made it possible to trade the excess bread for other articles.
3/ But not private trading as during the period of "NEP", except on a very limited scale in the case of the peasants after they fulfill all their obligations for deliveries in kind to the state.

With the transition to free sale of breadstuffs on a state commercial basis, however, the Government is not relinquishing its monopolistic position in the domestic grain market. The accumulation of a large supply of grain (1,500,000,000 poods or 27,000,000 short tons 1/ of grain, including 1,000,000,000 poods or 18,000,000 short tons of food grains), which is considered sufficient for all contingencies until the next crop, is given by Soviet spokesmen as an important reason for the abolition of rationing.

Among the important readjustments which were required in connection with the discarding of rationing breadstuffs were increases in wages and salaries, increases in the prices paid by the Government to the peasants for grain, and in the prices of various technical crops, the producers of which will not be able any longer to obtain grain from the Government at special low prices. Prices paid to producers by the Government for compulsory deliveries of grain are to be increased in 1935 by 10 percent and for grain purchased on a voluntary basis by 20 percent. It must be noted that the prices paid by the state to the peasants for grain on compulsory deliveries were stable during the last few years. An increase of 10 percent, therefore, will not eliminate or reduce the great disparity between procuring prices paid to producers for grain and official retail prices of breadstuffs which were increased several times over.

In connection with the abolition of rationing, it was decreed by the Soviet Government that a number of new retail stores and stalls selling bread be opened. Considerable official attention is also given to the increase of the output of the baking industry in view of the desire of the Government to sell baked bread rather than flour as explained above.

New Government Measures

Germany 2/

January contingents for rye and wheat flour mills were fixed at 6 and 10 percent respectively of the individual annual quotas. However, such flour mills as have only natural power and the annual contingent of which does not exceed 34,000 barrels, and also such mills as have a daily capacity up to 56 barrels and which as a result of seasonal work in agriculture cannot distribute their millings equally over the year, are granted a contingent of 25 percent for rye and 30 percent for wheat for the months of December, January and February taken together.

Italy 3/

A decree issued by the Italian Government on January 28 prohibited the importation of wheat and wheat flour unless subjected to quota restrictions or entered under license. Furthermore, effective February 5, the temporary admission of wheat and wheat flour was forbidden except under permit. Up to this time, imports of foreign wheat and flour for domestic consumption were restricted to 1 percent, but millers could import as much foreign wheat as they wished provided all products from such wheat were exported.

1/ Presumably consisting of procurements during the present campaign and carry-over from the previous year.
2/ Reported by Gordon P. Boals, Berlin, Germany.
3/ Reported by L. D. Mallory, Paris, France.

Bulgaria 1/

The Bulgarian Government Grain Bureau distributed last fall, 542,000 bushels of wheat to farmers who suffered from drought during the spring and summer of 1934. It is reported that the same Bureau intends to begin wheat exports next spring. Losses incurred in connection with exports, if any, will be covered from the profits made on domestic sales. The Bureau expects that such profits will amount to about $123,750 every month during this winter.

Russia

The Soviet Government announced the granting of grain loans in kind to collective farms for food, seed, and forage purposes in a decree dated December 26, 1934. The total quantity of grain to be loaned is set at over 1,200,000 short tons. This is the largest grain loan on record in recent years, as can be seen from the table below. It constitutes, however, a small share of the total grain supply accumulated by the Government and estimated at around 27,000,000 short tons.

Table 8.- Grain loans by Soviet Government to collective and state farms, 1931-32 to 1934-35

Year	Collectives	State farms	Total loan
	1,000 short tons	1,000 short tons	1,000 short tons
1931-32	705	261	966
1932-33	560	83	643
1933-34	-	-	-
1934-35	1,248	-	1,248

No announcement of loans during the 1933-34 season was issued, but a decree of February 27, 1934, extended for a period of 3 years the repayment on an installment basis of all grain loans obtained by the collectives from the Government, both prior to 1934 and in 1934. This would seem to indicate that loans were also made during the 1933-34 season.

Loans are to be made to collective farms only during the present season. No loans are to be made to the individual peasant farmers in distress, who still comprise a fourth of all peasant households. The individual farmers likewise did not share in the 1931-32 and 1932-33 government loans. It was stated in the decree of December 26, 1934, that no interest will be charged, but that the state is to be reimbursed for the administrative and transportation expenses at the rate of 10 poods (1 pood is equal to 36 pounds or .6 of a bushel of 60 pounds) per 100 poods of grain borrowed. The loan is to be repaid in kind in the autumn of 1935.

1/ Reported by Louis G. Michael, Belgrade, Yugoslavia.

In connection with these loans, it should be borne in mind that the collective farms are required to deliver to the state in accordance with the law, at fixed low prices, specified quantities of grain per acre of the area prescribed in the official sowing plan, which in a number of regions exceed a third of the average yield. These levies do not depend, as a rule, upon the outturn of the crop. It was stated, however, by a high Soviet official that the season's procuring plan for Ukraine, which accounted for a little less than a fifth of the total 1934 grain acreage for harvest, was lowered as a result of "a poor crop in its southeastern part", and that the collection of the grain by the state in case of a "considerable number of collective farmers" was postponed until next year.1/

The reason for the granting of loans this year is given as follows in the preamble to the official decree: "In order to increase further the economic strength of the collective farms, the Council of Peoples' Commissars of U.S.S.R. and the Central Committee of the Communist party resolved to advance from the Government grain supply loans for seed, food, and forage purposes, to collective farms which are in distress due to elemental causes....." The granting of loans in 1931-32 was officially attributed to the unfavorable effect of the drought and in 1932-33 to unfavorable climatic conditions. The drought, which was officially reported last summer, was probably also a major reason for making loans this season, and the regional distribution of these advances on the whole supports this view.

In 1931-32 the loans were extended only in the eastern regions of the Soviet Union: Lower and Middle Volga, Tartar Republic, Bashkiria, western Siberia, Kazakstan, and Ural. In 1932-33 loans were granted only in the two southern regions of the Union: Ukraine and North Caucasus. During the present season loans are to be extended in the southern regions, as well as in some of the eastern regions and also in part of the Central Black Soil area (Voronegh district) and northern Ukraine. Thus an area is covered this year accounting for over half of the grain acreage for harvest in 1934. More than half of the total quantity of grain advanced is to be loaned in Ukraine. Within the latter the largest amount both in absolute figures and in proportion to the acreage, is to be distributed in the three southern regions, Dneproptrovsk, Odessa, and Donetzk, which, judging from all reports, were seriously affected by drought. Next to Ukraine in the volume of loans are the two Lower Volga regions, Stalingrad and Saratov, which together account for about 20 percent of the total quantity of grain distributed and for 13 percent of the acreage for harvest in all regions entitled to loans. Middle Volga, western Siberia, and the Azov-Black Sea region are the other regions with loans of a significant size. The inclusion of western Siberia, which is getting a loan of the same size as Middle Volga, is somewhat surprising in view of the reports of a good crop in that area, although complaints of considerable harvesting difficulties were also voiced in the Soviet press.

1/ Izvestiia, November 11, 1934.

Table 9.- Soviet Union: Grain loans to collective farms in 1934-35, by regions and grain 1/ area for harvest in 1934

Region	Grain loans		Area for harvest		
	Amount	Percentage of total	Acreage	Percentage of total	Percentage of total 2/ Soviet area
	1,000 short tons	Percent	1,000 acres	Percent	Percent
Ukraine:	696	55.8	36,193	33.1	17.8
Dnepropetrovsk	220	17.6	6,790	6.2	3.4
Odessa	197	15.8	6,224	5.7	3.1
Donetzk	116	9.3	3,847	3.5	1.9
Kharkov	98	7.9	5,977	5.5	2.9
Vinitza	44	3.5	4,043	3.7	2.0
Kiev	17	1.4	4,902	4.5	2.4
Chernigov	4	.3	2,721	2.5	1.3
Others	0	.0	1,689	1.5	.8
Azov-Black Sea	72	5.8	11,110	10.1	5.5
North Caucasus	20	1.6	4,411	4.0	2.2
Stalingrad	126	10.1	6,657	6.1	3.3
Saratov	126	10.1	7,996	7.3	3.9
Middle Volga	90	7.2	16,286	14.9	8.0
Voronegh	25	2.0	8,332	7.6	4.1
Western Siberia	90	7.2	17,653	16.1	8.7
Tadjik Republic	.3	.2	924	.8	.5
Total above regions	1,248	100.0	109,562	100.0	54.0

Compiled from official sources.
1/ Small grains only.
2/ Total U.S.S.R. grain area for harvest in 1934 was 202,750,000 acres.

The Continental European Wheat Market Situation during January 1/

Upward revisions in crop estimates, together with fairly large carry-overs of wheat in most countries, and large carry-overs of rye in central and northern Europe, have made for smaller import takings by European countries than was expected early in the season. Moreover, some countries are reporting smaller bread grain consumption, particularly Czechoslovakia, Poland and Italy and some of the Danube Basin countries. In part this appears to be the result of substitution of other grains and foods, and in part to a somewhat higher level of prices this season. It is not believed, however, that the reduced consumption is as great as many trade reports indicate. Accordingly, as the carry-over from last year is completely used up there will be an increased interest in overseas wheat. The amount of the net trade this year as compared with that of last year, however,

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany, January 31, L. D. Mallory, Assistant Agricultural Attache, Paris, France, January 29, and Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, January 19, 1935. All price quotations have been converted at current rates of exchange.

will depend considerably on the amount and destination of French exports. Should France export according to expected present plans, European net imports may not be significantly larger this year than last, although the total European imports may be expected to be above last year.

Germany

No unusual market developments took place in Germany during January. During the month offerings of bread grains increased somewhat. Supplies of both wheat and rye appeared sufficient to cover current requirements of flour mills. Wheat and flour imports have been reduced to small proportions. While statistically Germany has more than enough wheat for domestic needs, small imports of high grade hard wheat and some wheat for feeding purposes have entered, coming in apparently on clearing agreements. Wheat consumption has increased this season compared with last year. This is attributed for the most part to increased human consumption of wheat. It is pointed out that as a result of the high extraction ratio prescribed for rye (around 75-82 percent according to designated ash content compared with the usual extraction of around 65 percent) bakers mix more wheat flour with rye flour in order to maintain approximately the appearance and quality of their former mixed breads. It is not likely that increased feeding accounts for much of the gain in wheat utilization on account of the present fixed wheat prices which are above the level at which farmers would be inclined to feed significant quantities in addition to what they would normally feed.

Italy

Wheat prices in Italy were somewhat higher in January than in December but markets were quiet. Quotations at Genoa for domestic durum averaged $2.54 per bushel compared with $2.17 for bread wheat (Buono Marcantile) at Milan. Trade figures place total imports of wheat from July 1 to December 1 at 822,000 bushels compared with 837,000 bushels for the same period in 1933.

France

The fixed wheat price in France was discontinued when the new law went into effect. Millers may now buy "free" wheat at the prevailing market price, but they must include in their millings 45 percent of the carry-over wheat on which a price is still fixed. Prices of free wheat were quite steady during January. Export transactions have slowed down considerably, the major portion of the 3,674,000 bushels authorized on January 8 having been sold by licensed cooperatives. Prices were 49 cents per bushel for old wheat and 50 cents for new wheat, f.o.b. Rouen. Sales c.i.f. were made to Denmark for February delivery at 56 cents and March at 57 cents. Sales to England, c.i.f., were made at 55 cents per bushel.

The Ministry of Agriculture through the Quartermaster Corps of the French army is actively buying wheat in the provinces for the constitution of the "security stock" for which provision was made in the recent law. These purchases, it is understood, are being made at local market levels plus 2 francs (3.5 cents per bushel). The new government program not only calls for further purchases of wheat by the Government, but also more export authorization and considerable denaturing.

Belgium and Netherlands

Import buying by Belgium and the Netherlands was moderate during the month of January. In Belgium some increase in buying for domestic purposes took place during the second half of the month, while the Netherlands restricted her business largely to minimum current needs. Imports for the season July to December were somewhat above a year ago in Belgium but considerably below for the same period in the Netherlands.

Greece

Prices for imported wheat declined slightly during January, the price being 70 cents per bushel on January 12 compared with the average for December of 72 cents (Pireus Exchange). Greece recently purchased several thousand tons of Algerian durum wheat.

Czechoslovakia

The Czechoslovakian wheat markets were quiet during January and it is now generally believed that human consumption of wheat this year has been below that of the 1933-34 season. Up to December 31, 1934, the Grain Monopoly had purchased a total of 1,348,000 short tons of grain and had delivered 768,000 short tons into commercial channels, leaving total grain stocks at the end of December 1934 of 580,000 short tons. Of this 8,356,000 bushels were wheat, 3,817,000 rye, 2,859,000 bushels barley, 6,406,000 bushels oats and 164,000 bushels domestic corn. The difference between the sum of these items and the total stocks (around 46,000 short tons) may be accounted for by foreign grain not specifically reported.

Austria

The wheat and flour business was generally quiet in Austria during January, except for some increased buying interest shown in Hungarian and Argentine wheats around the middle of the month. On January 8 the Austrian Government issued a consent for the importation of 367,000 bushels of Argentine wheat. The importation of this wheat will be made at a reduced tariff of 93 cents per bushel, instead of the $1.49 per bushel autonomous or basic tariff rate, being imported on a compensation basis against the exportation of Austrian industrial goods.

Denmark

Grain trading in Denmark was quiet at the beginning of the year, with no significant price changes reported. Wheat prices ranged from 62 cents to 65 cents per bushel.

Sweden

The markets in Sweden were firm during January, prices showing no change. While marketings of wheat and rye were relatively large, their effect was counter-balanced by large takings for feeding purposes. Wheat free railroad Malmo was quoted at $1.16 and rye $1.02 per bushel.

Finland

In view of the fact that the 1934 wheat crop in Finland was one of the largest on record, in order to encourage the use of domestic wheat the import tariff was raised to 79 cents per bushel for the current year. Flour mills, however, were given permission to import foreign wheat at a reduced tariff of 64 cents per bushel provided they purchase an equal quantity of domestic wheat.

Spain

The market in Spain continued inactive in January, although secondary grains have shown some movement during the past month. Rye is reported firm with a fairly good demand for mill by-products.

Poland

Unsatisfactory conditions characterized the Polish grain markets during January. Increased offerings of wheat and rye resulted in price declines in spite of the resumption of marketing supporting activities. The use of the large potato crop during recent months appears to have been partly at the expense of the bread grains, especially rye, so that larger quantities of rye are available for export than appeared likely from the carry-over and the small crop.

Estonia

After purchasing a total of 1,364,000 bushels of rye and 346,000 bushels of wheat the Estonia Government has ceased buying activities for the season. Farm offerings which the Government obligated itself to take were considerably above these amounts but actual deliveries were only made in part. Total government stocks of rye on January 1 were estimated to be about 1,653,000 bushels. Small quantities of rye are being offered for expor

Danube Basin countries

Exports of wheat and flour from the Basin during the 7 months, July 1, 1934 to January 31, 1935, are estimated at 9,612,000 bushels, which leaves a statistical carry-over of 19,800,000 bushels divided among the Danubian countries as follows: Bulgaria 2,200,000 bushels, Hungary 8,200,000, Rumania 3,700,000, and Yugoslavia 5,700,000 bushels. Sales for spring delivery of part or all of their exportable surplus have been effected by Hungary, Rumania, and Yugoslavia. Bulgaria has not yet placed any wheat, but it is probable that exchanges of wheat for cotton and mineral oil, as was done during December in the case of corn, will be made before the end of the present marketing year. Protected markets are available for Hungary in Austria and Italy (as a result of the Rome Agreement) for a larger amount of wheat than was carried over on February 1. Of the 15,432,000 bushels which may be marketed in these two countries, about 6,500,000 bushels had been delivered by January 31.

The Rumanian Government sold early in December about 1,800,000 bushels of wheat to the Czechoslovak Grain Monopoly for spring delivery, and the sale of a similar amount was discussed. Negotiations were postponed, however, until after the delivery of the first parcel. The Yugoslav Privileged Export Company has sold and delivered 2,200,000 bushels of wheat to Czechoslovakia and 625,000 bushels to Germany. About 1,500,000 bushels were recently sold to the former for spring shipment, and negotations are in progress for another sale of 1,200,000 bushels to the latter as well as 1,800,000 bushels to Austria. Should all these transactions be consummated, sales by Yuguslavia would also exceed the statistical surplus of that country.

Transportation difficulties, on account of bad weather and the cessation of river navigation, resulted in reduced exports during January, the total for the month being estimated at only 955,000 bushels. Deliveries by farmers were likewise affected, especially since further price increases were expected in the spring. This situation, combined with increased demand by Hungarian mills for export to Austria, caused prices to advance somewhat on the Danubian wheat markets during January.

Prices per bushel at designated markets for January 12 compared with the December average are as follows (corresponding figures for the year earlier in parentheses): Sofia $1.25 (70 cents) for January 12 compared with the December average of $1.23 (70 cents); Budapest 98 cents (59 cents) compared with 95 cents (56 cents); Novi Sad 71 cents (54 cents) compared with 68 cents (57 cents); and Braila, no quotation for January, with the December average at $1.21 (94 cents).

The Oriental Wheat and Flour Market 1/

China

Shanghai quotations on foreign wheat in mid-February were slightly higher than mid-January but somewhat lower than the first of February. Local flour prices advanced during the past month due to improvement in flour demand from North China and small flour stocks at Shanghai. Prices of wheat and flour have averaged 10 to 15 percent higher this winter than the low prices of a year earlier but they are still 20 to 25 percent lower than the 10-year average, 1921-1930. Wheat prices, c.i.f. for February and March shipments, Shanghai duty included, were quoted in the February 15 radiogram as follows: Argentine 73½ cents per bushel and Western Australian 77-1/4 cents per bushel. Shanghai flour for February delivery was 87 cents per bag of 49 pounds, and for March 88 cents. Australian flour, c.i.f., Hong Kong, was $2.87 per barrel of 196 pounds.

Shanghai imports during December totaled 313,333 bushels of wheat, all from Australia. The mills received 9 cargoes during January, and it was estimated at the first of February that about 6,700,000 bushels of foreign wheat were yet to be booked for spring delivery. Only one cargo of Argentine wheat was booked the week ended February 1, and one from Western Australia the week ended February 9. In the February 15 radiogram the

1/ Based on weekly radiograms from the Shanghai office of the Foreign Agricultural Service. Prices converted at the actual rate of exchange including official and private currency premiums.

Shanghai mills were reported ready to make further bookings of foreign wheat but were said to be holding off due to declining wheat prices resulting from improved exchange rates. During January mill activity in Shanghai averaged 65 percent, which was somewhat higher than normal, but by mid-February mills were again operating 60 percent capacity with other mills closed because of exhausted wheat supplies. Mills now operating have sufficient wheat on hand and booked to arrive to maintain present operations for 6 to 8 weeks.

Tientsin January flour production was reported at 117,000 barrels. Shanghai imports amounted to 190,000 barrels and American 57,000 barrels, Japan 500 barrels, totaling 247,500 barrels. February 1 Tientsin wheat stocks were very small and mills are reported as not being interested in booking foreign wheat. This is causing a reduction in local flour production, and should result in improved demand for Shanghai flour. Tientsin and Tsinan flour production during July through December 1934 were reported as follows with 1933 comparisons in parentheses: By Tientsin mills, 1,131,000 barrels (1,029,000), and by Tsinan mills 1,110,000 barrels (915,000). Imports of flour into Manchuria July to December 1934 set a new record for the first half year, and imports for the whole season are expected to exceed those of 1933-34. Increased employment resulting from construction activities, together with the reduced 1934 crop, contributed to the greater demand of this season. Takings for the period were reported as follows, with 1933 comparisons in parentheses: United States 10,500 barrels (0), Canada 2,000 (0), Australia 1,284,000 (0), Japan 1,574,000 (1,377,000), China 481,000 (1,036,000), total 3,351,500 barrels (2,413,000).

Japan

There continues to be no prospects for importations of American wheat into Japan in the immediate future because of high quotations, according to information transmitted by the Shanghai office of the Foreign Agricultural Service from Consul General Garrels at Tokyo under date of February 7. Domestic flour market was reported as strong and export demand having increased with larger Korean requirements which are reported due to the short Korean millet crop. Flour mills were operating at near full capacity.

Wheat prices at the mill in Tokyo on February 1 were quoted as follows (foreign quotations include duty and landing charges): Western White $1.26 per bushel, Canadian No. 1, $1.25 and No. 3, $1.14 per bushel, Australian $1.02 per bushel. Domestic standard was 86 cents per bushel. Portland wheat, c.i.f., Yokohama was 93 cents per bushel, duty and landing charges excluded.

Wheat imports into Japan during December were as follows: American 14,000 bushels, Canadian 148,000 bushels, Australia, 1,974,000 bushels, total 2,136,000 bushels. Wheat stocks on hand February 1 were reported to be normal for the season. Total flour exports in December consisted of 398,000 barrels of 196 pounds. Flour exports from July through December this season were 1,765,000 barrels of 196 pounds compared with 1,620,000 barrels last year. The increased flour exports this year were made to Manchuria.

Table 10.- Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Dec. 31	114	104
Germany	9	1/ - 4	Dec. 31	1/ - 5	7
Italy	13	8	Oct. 31	1	1
France	39	18	Nov. 30	9	1
Belgium	41	41	Nov. 30	17	20
Netherlands	26	24	Dec. 31	17	10
Greece	20	12	July 31	2	2/
Czechoslovakia	7	3/	Dec. 31	1	3/
Irish Free State	4/ 18	4/ 19	Oct. 31	7	7
Switzerland	19	18	Nov. 30	9	7
Austria	13	11	Nov. 30	4	4
Denmark	12	12	Nov. 30	7	7
Sweden	4	2	Dec. 31	1	3/
Norway	8	9	Dec. 31	4	4
Finland	4	4	Nov. 30	2	2
Spain	8	3/	Nov. 30	3/	3/
Poland	1/- 1	1/ - 2	Dec. 31	2/	1/-2
Estonia	2/	2/	Oct. 31	2/	0
Portugal	3	1	Sept. 30	2/	2/
Latvia	2/	0	Sept. 30	0	0
Total	460	389		190	172

Compiled from official sources.
1/ Net exports. 2/ Less than 500,000 bushels. 3/ Net exports of less than 500,000 bushels. 4/ Total imports.

Table 11.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept.29	133	108	152	221	847	1,147
Sept.30 - Oct. 27	13	58	121	190	581	952
Oct. 28 - Dec. 1	932	147	165	217	1,707	1,167
Dec. 2 - Dec. 29	3,393	30	198	185	4,323	899
Week ended						
Jan. 5	837	0	65	18	1,143	85
12	341	0	52	29	585	136
19	816	0	62	22	1,107	103
26	874	2	30	43	1,015	204
Feb. 2	47	14	57	25	315	132
9	1,384	0	52	21	1,628	99
16	85	1	36	25	254	119

Compiled from a weekly report of the Department of Commerce.

Table 12.- Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	28,636	14,037	13,572	Dec. 31
Canada	199,563	267,342	198,555	188,927	131,539	121,469	Jan. 31
Argentina	144,920	120,272	144,854	41,326	69,497	108,756	Jan. 31
Australia	155,451	148,552	86,509	27,302	29,038	33,540	Oct. 31
Russia	71,829	19,183	33,787				
Hungary	18,064	7,010	29,615	2,351	6,782	1,971	Sept. 30
Yugoslavia	15,369	1,162	835	646	380	2,090	Oct. 31
Rumania	37,481	179	248	170	84	0	Oct. 31
Bulgaria	11,795	3,144	4,769	663	1,287	7	Sept. 30
British India (L&S)	3,870	2,169	1/1,980	422	429	511	Aug. 31
Total	794,139	610,224	538,154				
	Shipments as given by trade sources						
	Total		Week ended - 1935			July 1 - Feb.16	
	1932-33	1933-34	Feb. 2	Feb. 9	Feb.16	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	2,600	2,806	2,003	144,736	107,721
Canada, 4 markets 3/	289,257	194,215	1,307	1,825	496	128,279	138,122
United States	41,211	37,002	132	99	119	20,807	14,450
Argentina	115,412	140,128	4,805	4,570	4,508	75,696	117,503
Australia	153,400	90,736	2,326	2,812	2,272	59,828	68,790
Russia 4/	17,408	26,656	0	0	0	25,536	1,696
Danube and Bulgaria 4/	1,704	15,872	0	0	0	10,464	616
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	588,597	495,988				316,260	296,638
Total European shipments 2/	448,672	401,560	7,176			7/ 244,496	7/ 233,616
Total ex-European shipments 2/	164,256	123,352	3,448			7/ 71,280	7/ 74,000

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To February 2.

Table 13.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 -July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29 -Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept. 2 -Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30 -Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct. 28 -Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec. 2 -Dec. 29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Week ended								
Jan. 5	1,060	2,944	1,024	2,200	352	0	3,616	1,392
12	2,400	4,252	1,968	2,176	72	8	4,360	2,168
19	3,148	3,264	2,976	3,176	280	0	5,184	2,240
26	4,064	4,124	3,320	3,156	256	0	4,080	2,424
Feb. 2	3,564	4,805	2,648	2,326	272	0	4,992	2,600
9	4,192	4,570	2,160	2,812	96	0	3,880	2,806
16	4,096	4,508	1,988	2,272	24	0	3,696	2,003
Total, July 1 - Feb. 16	75,696	117,503	59,828	68,790	10,464	616	144,736	107,721

Compiled from Broomhall's Corn Trade News.

Table 14.- Wheat: Stocks in specified continental European countries, December 15 and January 15, 1933-34 and 1934-35

Position	1933-34		1934-35	
	Dec. 15	Jan. 15	Dec. 15	Jan. 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
12 principal cont. ports (including following)	8,183	7,279	9,164	8,818
Antwerp	1,620	1,782	3,458	3,799
Rotterdam	4,262	3,491	2,734	2,499
Hamburg	331	459	331	257
Germany -				
Berlin (wheat & flour) 1/	2,179	2,161	2,730	3,090
"Second hand" stocks (wheat & flour) 1/ 2/	46,289	49,611	66,924	3/ 69,882
Farm stocks 1/	119,636	99,023	85,245	67,571
Other -				
Swedish mill stocks of wheat 1/	3,777	3,638		

1/ First of the month. 2/ In warehouses and flour mills. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin and Hamburg data.
3/ Preliminary.

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March 29, 1935

WORLD WHEAT PROSPECTS

Summary

The net European wheat deficit, excluding the Danubian countries, is now estimated by the United States Bureau of Agricultural Economics to be around 395,000,000 bushels for the 1934-35 year compared with about 389,000,000 a year ago. The amount of the net trade this year as compared with last year, however, will depend considerably on the amount and destination of French exports.

The March 1 surplus of wheat available for export or carry-over in the principal exporting countries, together with United Kingdom port stocks and quantities afloat, is estimated at 664,000,000 bushels compared with 919,000,000 bushels a year earlier and 1,000,000,000 bushels 2 years ago. The Danubian Basin March 1 surplus for export or for carry-over is estimated at about 18,700,000 bushels compared with 10,600,000 bushels a year earlier.

World shipments since January 1 have been under those of last year by more than 1,000,000 bushels per week, with Argentina and Australia each averaging around 450,000 bushels a week more and North America 1,800,000 bushels less than for the same period a year ago.

Estimates of the winter wheat area in the 18 countries, not including Russia, for which estimates are available, indicate an increase of 2 percent over the area sown in the same countries last year and an increase of 3 percent over the area sown for the 1933 harvest.

Winter Wheat Acreage

The total area sown to winter wheat in the 18 countries for which estimates are available is 137,984,000 acres, an increase of 2 percent over the area sown in the same countries last season and an increase of 3 percent over the area sown for the 1933 harvest. The winter wheat acreage in these countries represents about 60 percent of the estimated total winter and spring area in the Northern Hemisphere excluding Russia and China. The second estimate of the area sown in India is 33,811,000 acres which is 3 percent below the corresponding estimate of the 1934 area but is 5 percent above the average of the past 5 years. The only new European estimate received during the past month is of the area sown in Latvia which is placed at 207,000 acres compared with 209,000 acres last year. The combined area in the European countries so far reporting is 56,537,000 acres, which is 3 percent above the 55,106,000 acres reported in 1934.

Spring Wheat Acreage in the United States

According to the Government Crop Reporting Board's report for March 1 on acreage intentions a total spring wheat acreage for harvest in 1935 of 17,847,000 acres (2,042,000 acres durum and 15,805,000 acres other spring) is indicated by reports from farmers as compared with 9,290,000 acres harvested in 1934 and 19,425,000 acres harvested in 1933. In 1934, nearly one half the seeded acreage of spring wheat was abandoned. Increases in comparison with last year's harvested acreage are shown in all important producing areas with the exception of part of the Pacific Northwest. Most of the increase shown for this year as compared with last year reflects the difference between usual abandonment and the record abandonment of last year, since the indicated acreage to be seeded this year is only slightly in excess of that seeded in 1934.

The December report of the Board indicated a probable abandonment of winter wheat of approximately 18 percent. Reports as of March 1 point to about the same figure and suggest an acreage of all wheat for harvest in 1935 of about 54,000,000 acres.

Table 1.- Winter wheat: Acreage sown in specified countries, 1933-34 to 1935-36

Country	1933-34	1934-35	1935-36
	1,000 acres	1,000 acres	1,000 acres
United States	42,669	41,850	44,306
Canada	595	698	663
Total (2)	43,264	42,548	44,969
Italy	12,504	12,030	12,165
France	12,863	12,770	13,007
Germany	5,051	4,927	4,609
Greece	1,712	1,986	2,020
Czechoslovakia	2,160	2,099	2,212
Lithuania	393	403	425
Finland	45	45	51
Latvia	183	209	207
England and Wales	1,660	1,759	1/ 1,830
Bulgaria	2,882	3,025	3,010
Hungary	3,890	3,818	2/ 3,904
Rumania	7,110	6,827	7,858
Yugoslavia	5,157	5,208	2/ 5,239
Total, 13	55,610	55,106	56,537
Egypt	1,426	1,441	1,448
India, 2nd estimate	32,386	34,683	33,811
Syria & Lebanon	1,212	1,175	1,219
Total, 18 countries	133,898	134,953	137,984
U.S.S.R.	28,058	29,900	31,800

Compiled from official sources except as otherwise noted.
1/ Based on a reported 4 percent increase over 1934.
2/ Estimated by the Belgrade office of the Foreign Agricultural Service.

Crop Conditions

America

Moisture is still badly needed for the winter wheat crop in western Kansas and Nebraska, parts of the panhandles of Texas and Oklahoma and eastern Colorado. Crop prospects, however, were improved by heavy rains from the Ohio Valley south and beneficial moisture in the spring wheat states, the Great Basin and in the Southwest. Whereas there is sufficient moisture for seed germination, for the spring wheat crop additional moisture is still needed over a wide area in the Dakotas and parts of the three Canadian Provinces.

Central European countries

Germany - Precipitation was rather abundant during the last half of February. Too much wet weather this season may be the problem rather than not enough moisture. In many places winter crops showed a fresh, green stand which was unusual for February. Extreme cold was reported for eastern Germany in early March and this was followed by warmer weather.

Poland - Around the beginning of February there were several reports indicating that snow cover was not sufficient to protect crops. Extreme cold was reported in early March but since that time the weather has turned warm.

Czechoslovakia - This year's winter crops are thought to have been damaged by winter-kill to a somewhat greater extent than is usual. The mild and rather moist weather which prevailed all through last fall and during the month of December resulted in considerable growth of winter-sown crops, making them particularly susceptible to winter damage in view of the fact that they were not generally well covered by snow when several freezes occurred.

Austria - The official crop condition report published on February 9 showed a slight deterioration of crop conditions. A fresh and green stand was reported in late February.

Western Mediterranean countries

Italy - Conditions in Italy were good the latter part of February. Moisture supplies were plentiful and sufficient cold weather had been experienced to retard too rapid growth and stimulate stooling. On the whole, conditions pointed to an excellent crop.

France - Mild weather with continued heavy moisture supplies was reported in late February and early March. Some fear of rust was expressed if the spring continues damp.

Spain - A general storm in early February covered the Spanish wheat districts with snow. In the North snowfall was relatively less but the cold more intense. While there have been some local complaints of damage by cold without adequate snow cover, the cold period was probably beneficial, killing weeds and promoting good rooting. While conditions are not the best, they are not bad and there still remains the possibility of a fairly large crop.

Portugal - Prospects in Portugal are not too favorable for another large crop according to mid-February reports. As previously reported fall sowings were delayed because of dry weather and, while moisture was received in the first part of December, very little rain has fallen since Christmas. While adequate data are lacking, it appears that production may be somewhat below the relatively high levels of recent years.

Morocco - Late January and early February weather was in general favorable to cereals. Rainfall was abundant and the weather cool. Such snow as fell was beneficial and increased stooling.

Algeria - At the end of January heavy falls of snow were general and were followed in early February by rains. The moisture received was welcome in the west which had been very dry, but in the eastern durum area there is now far too much moisture for this season of the year and the young plants are suffering. Conditions in the Department of Algiers are reported satisfactory. The size of the crop will depend mainly on growing conditions from now on.

Tunisia - Climatic conditions in Tunisia have been favorable in the south and unfavorable in the north. Heavy rains have resulted in bringing moisture supplies on the dry plains partly up to normal growth requirements while at the same time being heavy enough on the North Coast to leach the soil and cause considerable erosion. In view of the unusual winter weather the outcome of the harvest is difficult to predict. Prospects may be characterized from fair to good.

Danube Basin crop summary

In spite of exceptionally severe cold weather which occurred in February, the condition of winter wheat continues to be very good throughout the entire Basin. A deep snow-cover afforded complete protection against cold weather and enabled the hibernating plants to stool vigorously. During the later part of February, the weather became mild and the snow-cover gradually melted from the fields.

Russia

Thawing took place in many regions of the South and center at the end of January when mild weather appeared. The fact that this thawing was in places followed by freezing again which resulted in the formation of an ice cover is believed to have increased the danger of winter damage. Discussion of different devices for protecting the crops from winter damage, such as the breaking up of the ice cover, etc., were published in the press.

Prices

Wheat prices during the next month probably will fluctuate near early March levels. However, as prospects for the growing crop become more clearly defined prices will depend to an increasing extent upon crop conditions.

The United States average farm price of wheat as of mid-February was 87.9 cents per bushel compared with 89.3 cents a month earlier and 72.0 cents in February 1934. There was a corresponding decline in prices at principal markets. Thus, No. 2 Hard Winter at Kansas City declined from an average of 102.9 cents for the week ended January 12 to 99.6 cents for the week ended February 16. At St.Louis No. 2 Red Winter declined from an average of 104.6 cents for the week ended January 12 to 97.6 cents for that ended February 16, and at Minneapolis No. 1 Dark Northern Spring declined from 119.8 cents to 114.9 cents for the same periods. However,

prices rose in most markets for the week ended February 23, but declined again the following week to about the mid-February level. Average prices for the week ended March 23 were 95.8 cents for No. 2 Hard Winter at Kansas City, 93.0 cents for No. 2 Red Winter at St. Louis, and 111.1 cents for No. 1 Dark Northern at Minneapolis.

At Liverpool prices declined fairly steadily during February and early March. May futures for the week ended February 2 averaged 96.0 cents at Chicago compared with 73.6 cents at Liverpool, a spread of 22.4 cents, while for the week ended March 9 they averaged 96.0 cents at Chicago and 71.0 cents at Liverpool, a spread of 25.0 cents. During the time sterling exchange was declining the fall of prices was considerably less in terms of English currency than in terms of American. The weakness of wheat prices in British markets during February may also have been due in part to financial difficulties in some of the so-called commodity pools.

On March 26 Chicago May futures closed at 93-7/8 cents or only 18-7/8 cents over Liverpool, the result of the recent improvement in foreign markets. If world markets continue firm during the next month, domestic prices may be expected to fluctuate near the levels of early March with Chicago near futures prices about 20 cents or more over Liverpool. By late April and May, crop prospects in the Northern Hemisphere will become an important price factor.

Table 2.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/....	93	102	86	98	88	108	70	85	70	77	54	4/58
Low 3/....	84	92	77	89	80	99	65	80	64	69	51	4/54
Feb. 16 ...	90	97	83	94	86	104	67	83	65	72	53	55
23 ...	88	97	79	94	83	104	67	83	65	71	53	55
Mar. 2 ...	88	98	80	95	84	105	69	84	67	71	53	56
9 ...	88	96	80	92	84	103	70	83	66	71	53	55
16 ...	88	92	80	90	84	100	68	82	65	72	53	55
23 ...	89	94	79	93	84	103	68	84	66	75	53	58

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ January 1 to date.
4/ March and May futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No.2 Hard 1/ Amber Durum Minneapolis		No. 2 Red Winter St.Louis		Western white Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/....	93	114	87	103	92	120	115	147	93	105	78	86
Low 3/....	82	104	81	95	84	111	92	126	89	92	74	81
Feb. 16 ...	92	114	85	100	91	115	109	134	92	98	75	86
23 ...	88	111	84	-	89	116	107	136	90	98	74	86
Mar. 2 ...	85	108	82	101	87	116	105	135	89	98	76	86
9 ...	86	105	82	98	89	113	105	135	89	96	76	83
16 ...	88	104	83	95	90	111	112	131	89	92	76	81
23 ...	90	107	82	96	90	111	115	126	88	93	75	

1/ Amber durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ January 1 to date.

Table 4.- Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, January - March 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan. 5	103.2	115.9	72.5	55.0	73.6	64.9	223	141	-
12	102.9	119.8	72.9	55.2	73.8	62.5	222	139	218
19	100.5	118.8	71.1	53.8	71.3	62.1	221	139	218
26	100.2	117.8	71.6	54.0	71.9	63.1	221	140	219
Feb. 2	99.0	117.0	71.5	53.9	70.3	62.0	220	143	218
9	97.8	114.1	71.5	54.2	68.6	62.1	222	143	217
16	99.6	114.9	72.0	54.0	68.0	61.0	223	145	216
23	-	116.0	72.4	54.0	68.1	60.9	224	144	221
Mar. 2	101.1	115.7	73.1	53.9	67.4	60.5	225	145	
9	97.8	113.4	72.8	53.1	67.2	58.5			
16	94.9	110.6	73.8	54.8	67.1				
23	95.8	111.1	74.2	57.4	70.8				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

World Trade and Surpluses

World shipments of wheat and flour since January 1 have been under those of last year by more than 1,000,000 bushels per week, although during the last month shipments have been within 578,000 bushels of the same period last year. Since the beginning of 1935 shipments from Argentina and Australia have averaged 476,000 and 417,000 bushels per week more, respectively, than in the corresponding period of 1934, whereas shipments from North America have averaged 1,787,000 bushels less. Shipments from Argentina and Australia may be expected to decline somewhat. Low world price levels will tend to continue to restrict North American shipments which have been practically all from Canada this year.

While shipments have been less this year than a year ago, they have, nevertheless, been so large as to exert constant pressure on the restricted demand in European importing countries. Some of the pressure, however, which would otherwise have been present has been taken off from such markets, because of unusually large Australian shipments this year to the Orient.

The March 1 surplus of wheat available for export or carry-over in the principal exporting countries, together with United Kingdom port stocks and quantities afloat, is estimated at 664,000,000 bushels compared with 919,000,000 bushels a year earlier, 1,000,000,000 bushels in 1933, and 965,000,000 in 1932. Stocks in the United States still estimated at 150,000,000 bushels, will provide for only slightly more than a normal carry-over. Canadian surplus stocks are estimated at 248,000,000 bushels, those for Argentina 110,000,000 bushels and those for Australia 87,000,000 bushels. The Argentine surplus is 55,000,000 bushels less than last year, whereas those for Australia and Canada are only 28,000,000 and 24,000,000 bushels respectively less than a year ago. Distribution of the wheat crops in Canada, Argentina and Australia are shown in Tables 10, 11 and 12.

In the Danube Basin there remained apparently a surplus available for export or for carry-over on March 1 of about 18,750,000 bushels compared with about 10,645,000 bushels for the corresponding date a year earlier. Small total shipments of less than 2,000,000 bushels from Russia during the first half of the season, compared with about 20,000,000 bushels for the same period a year earlier, suggest only limited exports, if any, from Russia for the remainder of the year.

Table 5.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, March 1, 1932 - 1935

Position	Mar. 1			
	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	423	400	303	1/150
Canadian wheat	15	9	9	21
Canada:				
Domestic wheat	208	288	272	248
United States wheat	28	7	2	1
Argentina	105	123	165	2/110
Australia	111	106	115	87
Total	890	933	866	617
United Kingdom port stocks:				
Wheat	16	6	12	(13
Flour (as wheat)	2	1	2	
Afloat for United Kingdom	19	26	16	
Afloat for Continent	22	15	10	(34
Afloat for orders	16	19	13	
Total	75	67	53	47
Grand total	965	1,000	919	664

1/ Estimated carry-over. It is expected that there will be some net imports during the period January - June consisting mostly of feed wheat.
2/ Based on an unofficial estimate of 225,000,000 bushels. The official estimate placed the crop at 252,000,000 bushels.

Estimated European Import Requirements 1/

The net European wheat deficit, excluding the Danubian countries, is now estimated by the United States Bureau of Agricultural Economics to be around 395,000,000 bushels for the 1934-35 year compared with about 389,000,000 a year ago. These figures, however, take account of offsetting exports which for the current year are estimated to be around 20,000,000 bushels compared with only 6,000,000 bushels a year ago. The increased amounts of exports this year are made up largely of French wheat, and to the extent that such wheat will be imported by other European countries for feed purposes or by non-European countries, import requirements measured in terms of overseas wheat would tend to be increased accordingly. Table 6 shows the estimates by countries.

The figures in the table differ from those published in January as the result of a reappraisal of the entire situation in the light of changing conditions. In arriving at the estimates an attempt was made to approximate current needs for all purposes, including a normal minimum carry-over (see page 11) at the end of the current season. In addition, such other factors as export possibilities, trade agreement commitments or contingents, etc.,

1/ Based on reports from the Berlin, Paris, and Belgrade Offices of the United States Foreign Agricultural Service.

were taken into consideration. It is to be expected that subsequent economic and political changes may materially alter even the present estimates.

Because shipments to date indicate smaller imports this year than were expected earlier, the January figures have been scaled downward generally with few exceptions. In the case of Italy, a reduction of about 10,000,000 bushels was made because all wheat must now be imported by the recently established Grain Committee, which, no doubt, will keep imports down to minimum milling needs. The deficit requirements for Czechoslovakia were reduced due to the fact that supplies in that country are now indicated to be larger than previously reported.

Estimates for France were somewhat difficult to arrive at because of the large quantities of feed wheat involved. The Government contemplates that larger quantities than usual will not only be diverted to feed purposes domestically but that a substantial part of the exports that are made may also go to those countries needing feed supplies and will be used in that manner. The denaturing of a substantial part of the French wheat exports is definitely planned. Another complication arises in connection with this feed wheat, namely, that it is not specifically to be exported to continental countries. This alters the comparability of the 1934-35 net trade figures with those of earlier years.

The Danube Basin countries have an estimated exportable surplus of about 28,000,000 bushels, divided as follows: Hungary 15,000,000 bushels, Yugoslavia 9,000,000 bushels, Bulgaria 2,000,000 bushels and Rumania 2,000,000 bushels. Ordinarily any such surplus would be readily taken by nearby deficiency areas, but there is some doubt this year that the surplus will actually be exported before the end of the season due to the fact that Argentine wheat is now being bought in Central Europe in preference to Danubian, Argentine wheat being priced materially lower than that of the Danubian countries. Austria has lately imported Argentine wheat in preference to Hungarian or Yugoslavian, even though Central European countries, on account of currency transfer difficulties, usually prefer to cover their needs in the Danube Basin on a barter basis. With a view of meeting this situation at least in part, the Hungarian Government has announced that their official minimum price will be abolished April 10, 1935.

Table 6.- Estimated net imports (and exports) of wheat and flour, 20 European countries, 1933-34 and 1934-35

Country	Estimated net imports or exports (-) 1933-34	Preliminary estimate of net imports 1934-35
	Million bushels	Million bushels
United Kingdom	216	207 - 211
Germany	- 4	6 - 9
Italy	8	25 - 30
France	1/ 18	- 15 - - 20
Belgium	41	40 - 42
Netherlands	24	23 - 25
Greece	12	10 - 12
Czechoslovakia	2/	7 - 10
Irish Free State	19	18 - 19
Switzerland	18	17 - 18
Austria	11	11 - 13
Denmark	12	16 - 19
Sweden	2	0 - 1
Norway	9	7 - 8
Finland	4	4 - 5
Spain		0 - 0
Poland	- 2	- 2 - 2
Estonia	0	0 - 1
Portugal	1	0 - 1
Latvia	0	0 - - 1
Total, imports only	395	391 - 426
Total, exports only	6	17 - 21
Net imports	389	374 - 405

1/ Shipments from North Africa considered as French imports; no allowance for Saar.
2/ Net exports of less than 500,000 bushels.

Estimated Bread-grain Stocks in Europe on August 1, 1934 1/

Until recently carry-over stocks of old-crop grain in continental countries have generally been of little significance, except possibly in the Danube Basin. Most countries were on an import basis and the year-end carry-overs of old crop grain consisted almost entirely of foreign descriptions.

The record crops of wheat and rye harvested on the Continent in 1932 and again in 1933 resulted in an accumulation of domestic grains which in some countries assumed burdensome proportions. On August 1, 1934, for example, continental stocks of old-crop wheat were estimated to be about 20 percent as large as the eventual 1934 harvest. The bulk of this carry-over was domestic grain.

1/ From Foreign Crops and Markets, March 25, 1935, pages 299 - 230

As a result of these changed conditions, it was felt advisable to attempt an estimate of the year-end carry-over of old grain on the Continent. The following comments have been taken from a report prepared by Gordon P. Boals, Assistant Agricultural Attache' in Berlin. It should be kept in mind that these estimates are the first of a proposed series and, as such, naturally have certain limitations.

According to Mr. Boals, there were 286,598,000 bushels of old-crop wheat and 86,058,000 bushels of old-crop rye of all descriptions on hand in 19 continental European countries on August 1, 1934. In addition, it was estimated that there were 35,253,000 bushels of old-crop wheat and 4,252,000 bushels of old-crop rye in the four Danubian countries on the same date.

Estimated minimum year-end requirements in the above 23 countries are 130,770,000 bushels of wheat and 56,808,000 bushels of rye. The difference between stocks on hand August 1 and minimum year-end requirements does not, however, necessarily represent the effective surplus of old-crop grain in Europe on that date, if by "effective surplus" we mean grain that will enter the usual market channels. Much of the old-crop wheat and rye on hand August 1, 1934, was unfit for human consumption. The feeding of this grain, the denaturing of considerable amounts of wheat in certain countries, and the usual loss from spoilage and handling greatly reduce the amount available for the bread-grain trade channels.

Most of the carry-over on August 1, 1934, was concentrated in France, Germany, and Italy, though supplies of old-crop grains were apparently also much above normal in Czechoslovakia, Poland, Spain, and Sweden. Mr. Boals states that in many of the countries government agencies control the grain stocks and in some others there are large mill stocks. This would indicate that in general farm stocks were not excessive, though in the Danube Basin, France, and Poland they represent a large share of the total.

The small crops of wheat and rye harvested in Europe in 1934 and the policy of most importing countries of restricting grain imports to a minimum make it seem likely that the European carry-over of old-crop grain on August 1, 1935 will be reduced to well below the previous year.

1935 Spring Wheat Sowing Plan in the Soviet Union

The Soviet sowing plan specifies an acreage of 57,354,000 acres to be seeded to wheat during the 1935 spring sowing campaign. This is practically the same acreage as was provided by the 1933 and 1934 plans. Thus the Russian spring wheat acreage has apparently become stabilized around 57,300,000 - 57,400,000 acres. This situation is in sharp contrast with the policy of acreage expansion of a few years ago. In 1930, for instance, the plan specified a spring wheat acreage exceeding 68,000,000 acres and in 1931, exceeding 69,000,000 acres. Neither in 1930 nor in 1931 were the figures of the plan achieved, notwithstanding greatly prolonged planting periods (See table 7). With the peak figures of the 1931 plan the expansion of spring wheat acreage in the Soviet Union was brought to a stop. In 1932 and again in 1933 the plan was reduced and brought into closer conformity with the actual trend of sowings. The spring wheat acreage plan, stabilized at the 1933 figure, was 12,000,000 acres below the record 1931 plan. Notwithstanding the reduction in the plans for 1932 and 1933, they

were not fulfilled. Thus, throughout the period 1930-1933 the acreage seeded was below that specified in the plan, notwithstanding the prolongation of the sowing campaign beyond the optimum dates which made a considerable proportion of the sown area worthless. In 1934, however, the plan was for the first time exceeded by sowings, which were likewise approximately 5,000,000 acres above the spring wheat acreage sown in 1933. The figure of the 1935 plan, therefore, which, as was stated above, remained practically the same as in 1933 and 1934, seems realistic and capable of being attained. 1/

A comparison of the spring wheat situation with that of winter wheat in the Soviet Union is instructive. The winter wheat sowing plan also showed a great increase in the autumn of 1931 and the acreage seeded fell short of the figure specified. During the following 3 years, the plan was reduced, but the acreage actually seeded never reached the figures of the plan. Nevertheless, the winter wheat acreage, unlike spring wheat, showed on the whole an upward trend since 1929-30, when mass collectivization of Russian agriculture began. The proportion of winter wheat in the total Russian sown wheat acreage increased from 30 percent in 1930 to approximately 34 percent in 1933 and 1934. 2/ Spring wheat, however, still accounts for two thirds of Russian wheat acreage.

Should the spring wheat plan in 1935 be fulfilled, the total (combined spring and winter) 1934-35 wheat acreage would amount to 89,200,000 acres, or slightly below the acreage in 1933-34 when the total wheat area once more showed an increase after 2 successive years of decline from the 1930-31 peak. The 1934-35 area may be even larger if spring seedings will again exceed the plan as in 1934.

Of the 3 types of farms into which Russian agriculture is divided, the collective farms greatly predominate, accounting for 84 percent of the acreage specified in the 1935 plan. The collectives show a slight increase in the 1935 plan compared with that of a year ago. The state farms constitute a poor second with 11 percent of the spring wheat acreage specified in the 1935 plan. The acreage of these farms, which were originally set up to cultivate large areas by means of modern power farming in the semi-arid, predominantly spring wheat regions, is to decrease by 3 percent according to the 1935 plan. Finally, the individual peasant farmers account for only about 5 percent of the 1935 spring wheat plan. Thus, 95 percent of the

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1/An incentive to exceed the plan is provided by the law regulating compulsory grain deliveries to the state, according to which such deliveries must be made by the collective farms only from the acreage specified in the plan. All acreage seeded by collectives in excess of figures specified by the plan is not subject to the grain levy and that of individual peasant farmers to 50 percent of the levy.

2/The increasing importance of winter wheat was also evident in the Soviet Union prior to collectivization during the years 1925-1927 and again prior to the Revolution, particularly in Southern Ukraine, See V. P. Timoshenko, Agricultural Russia and the Wheat Problem, page 257.

1935 spring wheat acreage will be in collective and state farms and only 5 percent in individual peasant holdings, which is the reverse of the situation prevailing only a few years ago prior to the mass collectivization of Russian agriculture carried through by the Soviet Government when collectives and state farms played an insignificant role.

Regional distribution of the planned 1935 spring wheat acreage is given only for collective farms. In view of the predominant position of the collectives, however, these data are a good indication of any changes contemplated by the plan. The most significant tendency revealed by the regional figures (see table below) is the reduction of the acreage contemplated by the 1935 plan in the principal wheat-producing areas; Ukraine, (where a shift from spring to winter crops has been taking place) North Caucasus, and the Volga regions, and to a smaller extent in the Asiatic producing regions. See table below. On the other hand the plan specifies an increase in the spring wheat acreage in the so-called consuming, or deficit, area of European Russia and in the Central Black-soil area, where wheat has not been an important crop. These increases, however, while great relatively, are not very large in absolute quantities. They are a result of the recent policy of the Soviet Government of making the northern and central regions of European Russia more self-sufficient with respect to their grain supplies.

Table 7.- Soviet Union: Acreage planned and sown to spring and winter wheat, 1930 - 1935

Year	Spring wheat acreage		Winter wheat acreage 1/		Total planned	Acreage sown
	Planned	Sown	Planned	Sown		
	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres
1930	68.2	58.5	-	25.2	-	83.7
1931	69.2	63.1	30.5	29.0	99.7	92.1
1932	64.7	58.5	37.1	32.3	101.8	90.8
1933	57.3	55.4	36.1	28.1	93.4	83.5
1934	57.4	59.0	31.1	29.9	88.5	88.9
1935	57.4	-	32.3	31.8	89.7	-

1/ Sown in the autumn of the preceding year.

Table 8.- Soviet Union: Sowing plan for spring wheat on collective farms in 1934 and 1935, with percentage 1935 is of 1934

Region	1934	1935	Percentage 1935 is of 1934
	1,000 acres	1,000 acres	Percent
Consuming area including White Russia	1,647	2,698	163.8
Central Black Soil	1,030	1,230	119.4
Tartar Republic	902	1,013	112.3
Ukraine	2,698	2,474	91.7
Crimea	---	---	---
North Caucasus	2,908	2,818	96.9
Middle Volga and Lower Volga	15,419	14,845	96.3
Ural Siberia and Kazakstan	20,296	20,101	99.0
Central Asia and Kirgizia	2,096	1,967	93.8
Far East and Yakutsk	773	779	100.8
Transcaucasia	161	170	105.6
Total	47,930	48,095	100.3

Table 9.- Soviet Union: The sowing plan for spring wheat distributed by types of farms in 1934 and 1935

Type	1934	1935
	1,000 acres	1,000 acres
Collectives	47,930	48,095
Individual peasant farms	2,792	2,780
State farms	6,704	6,479
Total	57,426	57,354

The French Wheat Law of December 24, 1934 1/

The French wheat law of December 24, 1934, aims primarily at the abolition of the minimum price system and the gradual restoration of a free wheat market. From the longer time point of view, the new legislation contains provisions designed at least to stabilize French wheat acreage and possibly to reduce it. In the meantime, the Government program for subsidized exports and denaturing of wheat is to be strengthened.

As presented to Parliament, the Government's wheat bill was made up of three parts. The first part referred to permanent measures of improvement in the wheat market destined to avoid future overproduction. To reach such a goal it prohibited producers from increasing their present planting and forbade their use of high yielding varieties of low quality wheat. The second part referred to the removal of the present wheat surpluses through direct government purchases, denaturing, and exportation to the extent of 1,500,000,000 francs (about $98,500,000). The 3-franc production tax paid by producers for every quintal of wheat sold (5.4 cents per bushel) was to be increased to 7 francs (12.5 cents per bushel) and be used for backing the loans to be made for the financing of this program. The third part of the bill provided for the transitory measures to be used for the realization of the free market. These measures consisted of the gradual abolition of the existing fixed minimum price, as a lower minimum price was to be adopted for a short period before returning to a completely free market. The holders of storage wheat of the 1933-34 crop and the carryover of the 1932-33 crop were guaranteed the price stipulated in their original contracts. Although aiming at a perfectly free market for wheat, the Government realized that it had to proceed gradually in order to avoid the disruption of the market with its accompanying dangerous effects.

Several important amendments favorable to wheat producers were made in the Government's bill before it was passed by Parliament. Agricultural cooperatives, which hold a large portion of the carried over and stored wheat, are guaranteed a preferential price for their stored product. Also, the loans to be issued for the financing of the Government's program of wheat purchases are to be backed by small increases in both the milling and the production taxes, and not by a large increase of the latter only as proposed in the Government's bill. Finally, Parliament avoided the inclusion in the law of any limitation regarding the expenses for government wheat purchases and export and denaturing subsidies.

By January 10, 1935, i.e., barely 2 weeks after the enactment of the new wheat law, some 11 decrees had already been promulgated to amend it, explain it, and put it into practice. More decrees have since been issued. The following discussion refers to the French wheat situation at the end of January 1935, i.e., a little over a month after the new wheat law had been put into practice.

1/ Condensed from an article by N. W. Hazen in "Foreign Crops and Markets" for February 18, 1935. This condensation does not include the comparative presentation of the five wheat laws enacted in France from July 1933 to December 1934 which is given in original article.

The abolition of the minimum price and its influence on the wheat market

Moving cautiously, the Government at first sent out a feeler. 1/ In order to eliminate all chances of a complete collapse of the wheat market, the law abolishing the minimum price system provided simultaneously for measures involving:

(1) The reduction or at least stabilization of wheat production;
(2) The guarantee of the legal price agreed upon in original contracts for carried-over as well as stored wheat;
(3) Government purchases of wheat and its binding promise to buy all the 1932-33 and 1933-34 wheat extant on July 1, 1935;
(4) Continuation and strengthening of the wheat denaturing and export programs.

As a result of the abolition of the minimum price, wheat had dropped from the legal price of $1.96 to $1.43 a bushel on the free market. The "bootleg" trade was to receive the hardest blow.

Reassured now as to the strength of the wheat market, the Government tried another feeler. On December 28, 1934, i. e., 4 days after the passage of the new law, it decreed that: 2/

(1) The compulsory use by millers of the 1932-33 carried-over wheat was reduced from 65 percent to 45 percent of their requirements (still at $2.35 per bushel).
(2) Commencing with January 1, 1935, however, millers would be compelled to buy an additional 15 percent of their requirements from 1933-34 stored wheat (at $1.93 per bushel).

In other words, the wheat market was to be "free" only to the extent of 40 percent of the millers' requirements. Before the passage of the law (as mentioned above), it was "free" up to 35 percent, although that freedom meant buying that 35 percent at the legal price of $1.96 or at the "bootleg" price of between $1.25 and $1.79 per bushel. The milling trade protested against the limitations imposed on the newly created free market. The Government yielded and the decree of January 7, 1935, postponed the compulsory use by millers of the additional 15 percent of the stored 1933-34 crop until February 16, 1935. At the end of January 1935, millers were obliged to meet their requirements as follows:

1/ The law of December 24, 1934, enables the Government to fix by decree the specific conditions of application of many clauses provided for by that law, but only in a general way. The Government relies on these provisions to adapt the law to conditions as they arise.
2/ Among the principal advantages of the compulsory use of stored and carried-over wheat, the following may be cited:
(1) Decrease of the quantities of wheat that the Government will have to buy on July 1, 1935;
(2) Decrease in the payment, by the Government, of the storage premium;
(3) The creation of more storage space, especially at the approach of the harvest.

45 percent from 1932-33 carried-over wheat at $2.35 per bushel. 1/
55 percent on the free market where 1932-33 and 1933-34 wheats are selling at from $1.40 to $1.43 per bushel.

The free market was to remain limited to 55 percent of the millers' requirements until February 15, 1935, inclusive, when it was to be reduced to 40 percent (See "Continental European Market" section, page 23.

The new law and the reduction of wheat production

The wheat acreage in France is not as large as in pre-war years, but the yields per acre are higher. Improvement in production methods and use of high yielding varieties helped by favorable weather conditions have been responsible for the large crops of the past 3 years. Apparently it is just beginning to be realized in France that the measures employed to reduce the wheat surpluses have not touched the real problem, i.e., the over expansion of wheat acreage in relation to present French domestic requirements. It is true that for the last 2 years there have been provisions for fines on producers who increased their acreage. Yet, when it has been suggested to reduce the wheat acreage by law, there have been such protests that the Government has had to rely on indirect pressure. Even now when public opinion that acreage reduction is essential seems to be growing, the issue is not faced squarely. Thus, the new law prohibits:

(1) The sowing of wheat on areas larger than those established by local custom for the rotation of crops:
(2) The cultivation of wheat on soil which bore that crop the preceding year;
(3) The increase in area sown to wheat to more than the average of the preceding years.

With fairly good weather conditions the 1934-35 French wheat crop will not be materially smaller than that of 1933-34. The decision of the Government to regulate the sale of low-yielding but high quality varieties of wheat for seed gives some hope, though only a little.

Effect of government purchases of wheat

Wheat purchases by the Government started as early as January 1933. It is not only the strengthening of this program for the formation of a "security" stock that has sustained the newly created free wheat market. The promise made by the Government in the new law to buy all wheat stocks in existence on July 1, 1935, at a price equal to the average price of the first 6 months of 1935 on the open Paris market, has had much to do with it. Wheat stored by individuals is bought at present by the Government at 97 francs per quintal ($1.73 per bushel), while that stored by agricultural cooperatives is purchased at 108 francs per quintal ($1.93 per bushel). These purchases are one half from individuals, and the other half from agricultural cooperatives.

1/ The guaranteeing of this selling price is only fair, since it was stipulated in the storage contracts entered into between the Government and members of the agricultural cooperatives.

It is estimated that by the end of June 1935, when the Government proposes to buy all the then existing wheat stocks of the 1932-33 and 1933-34 crops, there will still be a surplus of some 10 to 12 million quintals (36.7 to 44 million bushels). 1/ If the average price for the first 6 months of 1935 varies between 75 and 80 francs per quintal ($1.36 to $1.43 per bushel), it would cost the Government between $50,000,000 and $65,000,000 to take up this surplus.

Government purchases of wheat consummated from the time of the enactment of the law of December 24, 1934, to July 1, 1935 (just as in the case of premiums for wheat exports and denaturing), will be financed by the returns from the increased milling and production taxes. Funds for the purchases to take place after July 1, 1935, will be provided from loans issued especially for this purpose.

The wheat denaturing and export programs

Following the passage of the new law and the formation of the new low price on the free market, the Government reduced both the denaturing and export premiums. 2/ At present the premium paid for the denaturing of good quality wheat is 40 francs per quintal ($0.71 per bushel). No premium is paid for the denaturing of low-quality wheat. Exports of domestic milling wheat receive a subsidy of 70 francs per quintal ($1.25 per bushel).

During 1934-35, the Government expects to relieve the market of some 9,000,000 quintals (33,000,000 bushels) of wheat through denaturing and exports, 4,000,000 quintals (14,700,000 bushels) through denaturing, and 5,000,000 quintals (18,400,000 bushels) through exports. The funds for the financing of this program are to come from the returns of both the milling and production taxes. Under the stipulations of the new law, these taxes have been increased as follows:

	Before the passage of the new law	At present
	Milling tax	
Minimum,	1 fr. per quintal (1.8 cents per bushel)	3 frs. per quintal (5.4 cents per bushel)
Maximum,	1.75 fr. per " (3.1 cents per bushel)	5 frs. per quintal (8.9 cents per bushel)
	Production tax	
Minimum,	3 frs. per quintal (5.4 cents per bushel) 3/	3 frs. per quintal (5.4 cents per bushel)
Maximum,	3 frs. per quintal (5.4 cents per bushel)	4 frs. per quintal (7.1 cents per bushel)

1/ This, providing: (1) That 10,000,000 quintals (36,700,000 bushels) of wheat go to farm what the wheat trade considers a "normal" carry-over; (2) That the export and denaturing programs for 1934-35, as outlined by the Government are completed. (See following section on the wheat denaturing and export programs).

2/ All wheat, i.e., carried over, stored, and free, can be denatured as exported.

3/ Previous to the enactment of the new law, there was no minimum for the production tax as it was paid by producers on all quantities of wheat sold for human consumption. However, wheat producers were exempted from the payment of the tax to the extent of 3 quintals (11 bushels) per year per person living or working on a wheat farm, for the family consumption.

This shows that the milling tax bore most of the burden of the increase. It appears that the smaller increase affecting the production tax is part of the concession granted to producers by the Government in compensation for their possible losses as a result of the formation of the low-price "free" market. 1/

There seems little reason to expect the French wheat problem to be solved as long as the present acreage is maintained. Yet, the new law does not promise to bring about a definite reduction. It must be admitted that acreage reduction involves tremendous difficulties from both the economic and political standpoints. As it is, both the Government and the wheat trade live in the hope that the 1934-35 crop will be short and the surplus may thus be absorbed. This same hope has been entertained but has failed to be realized for the last 3 years. In case the 1934-35 crop does turn out to be a short one, the "security stock" being formed by the Government would help in checking speculation and a possible excessive increase in the price of bread. On the other hand, if that crop is again above normal, the problem will remain unsolved.

Other New Regulations 2/

Germany

The Central Union of the German Grain Trade has ruled that flour prices beginning with February 1, 1935, must no longer be calculated and set by the wholesale markets, but will be fixed by the regional grain associations. This results in a slight increase in wheat flour prices in the south and southwest, and considerably higher rye flour prices in the eastern part of Germany. While some price adjustments have taken place, the real intent of the ruling is to keep the bread price stable. In order to accomplish this purpose a bakers' equalization fund was established from which those bakers who cannot bear the additional flour price burden out of their spread are to receive subsidies. The contributions to this fund are made by the flour mills through the Economic Union of the rye and wheat mills. Beginning February 1 every flour mill is required to contribute at the rate of 2 cents per bushel of milled wheat. At the same time, the flour mills are relieved from the obligation to pay certain so-called freight equalization fees to the Reich office for grain. These formerly served to finance subsidies for the rye supply in central German distress areas.

Milling contingents for each of the months of March and April were fixed at 6 percent of the total yearly contingents for the rye flour mills, and at 9 percent for the wheat flour mills. In February the percentages were 4 and 8 percent, respectively.

1/ It is clear, however, that in the long run, both taxes will be borne by the consumer.

2/ Reported by Gordon P. Beals, Berlin, Germany, and L. D. Hallery, Paris, France.

Czechoslovakia

The Czechoslovakian surtariffs which had remained unchanged since August 1933 at 29 cents per bushel for wheat and 47 cents per bushel for rye were reduced to 24 and 35 cents respectively, beginning with January 25, and further reduced to 23 and 33 effective February 10, 1935. These reductions take account of the enhanced domestic price level as compared with last season.

Austria

The distribution of rye at reduced prices for the relief of mountain farmers has progressed rapidly. About 354,000 bushels out of an intended total of 492,000 bushels have already been distributed. This rye is imported for the emergency at a reduced tariff.

Denmark

Danish agrarian circles expect that the Government will take steps soon to stabilize grain prices at higher than present levels. While this would likely be accomplished through the renewed application of import fees, it is pointed out that the previous import fee system would probably not be restored.

Spain

Due to the fact that the artificial level of prices in Spain is being maintained with difficulty and dissatisfaction, a new measure along broader lines is advocated. This provides for the prevention of further increase in the wheat area, subsidized storage, the withholding from market or denaturing of wheat, and the prohibition of the opening of new flour mills, the enlarging of present mills or the reopening within 1 year of closed mills. Funds would be provided by a tax of 4 cents per bushel on all sales of wheat and some sort of tax on corn imported.

The Continental European Wheat Market Situation during February 1/

Prices continued rather variable on the different European markets, but showed a definite downward trend on most free markets. At Rotterdam, prices at the end of the month were 8 to 10 percent below those at the beginning of the month. In France and Italy, also in Denmark, some weakness was in evidence. In Austria, on the other hand, where market supplies continue rather limited, prices were firm and even advanced somewhat. In Germany and Czechoslovakia and certain other countries, the usual fixed prices prevailed. Rye prices at Rotterdam were generally lower for the month, but on the domestic continental markets were mostly unchanged.

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attaché, Berlin, Germany, February 28, L. D. Mallory, Assistant Agricultural Attaché, Paris, France, February 20, and Louis G. Michael, Agricultural Attaché, Belgrade, Yugoslavia, February 21, 1935. All price quotations have been converted at current rates of exchange.

Import takings of overseas wheat continue in limited volume. Belgium and the Netherlands still dominate the monthly imports on the Continent, though Italy it is believed will enter the picture in a rather active way during the next few months. Denmark has also revealed unusual activity, particularly in recent weeks, and is now expected to show a much larger disappearance this season than last. This trade, of course, is not strictly of a comparable nature with most past years, because it includes large quantities of feed wheat, principally from France. A fair amount of trade has also occurred in Germany, and some further purchases were anticipated during the remainder of the year. The demand in Czechoslovakia continues very restricted.

Germany

Trading in bread grains as well as in wheat and rye flour was very quiet on the German markets during the month of February, and of a hand-to-mouth nature. Moderate bread grain offerings were sufficient from the standpoint of the rather slow demand, but there was continued deficiency in the supply of feed grains. Various discussions have appeared in the German trade press relating to the grain supply situation this year. It has been repeatedly pointed out that larger imports of oilseed or oilcake will be required for the remainder of the season, it being contended that these are more economical than the importation of feed grains. On the other hand, reports have been issued indicating that Germany is negotiating for the importation of large quantities of French feed wheat. The existing clearing arrangement between Germany and France would facilitate such imports.

An examination of figures on the movement of stocks as well as imports and exports appears to support the statement made last month to the effect that total wheat consumption in Germany so far this season has increased noticeably as compared with last year. A comparison of the figures for September through January this season with those for the same period a year earlier indicates an increase in disappearance of roughly 10 percent over the corresponding period in 1933-34.

Italy

The domestic market in Italy during the second half of January tended to be weak with offers in excess of takings. However, in the first half of February, the market strengthened and a good tone was reported on the country markets; durum held quite well.

The new Cereal Committee which was formed in the Ministry of Agriculture and Forestry by a decree of January 17 expects to control the flow and distribution of imports so as to not disturb the domestic price structure. The Directors of the Collective Stocks Corporation, moreover, have arranged to control the amount of sales from the stocks held in such a manner as to avoid any disruptions on the market. While the price of wheat in Italy is not regulated it is apparent that a sufficient control over supplies will be maintained as to virtually manage the price level. For most purposes, therefore, Italy can be considered as entering the ranks of those countries already regulating the price of wheat and there will be little to report on market developments.

Until operations become known and negotiations are completed, little foreign purchases can be expected for domestic consumption. Purchases to this end have temporarily ceased and such business as was recently done has been of goods already arrived. Imports from July 1, 1934, to January 31, 1935, were placed at 958,000 bushels compared with 872,000 bushels for the same period a year previous.

France

The French wheat market held quite firm at from $1.40 to $1.44 per bushel c.i.f. Paris during the first 2 weeks of February. By a decree of December 25, 1934, millers were obliged to incorporate 45 percent of 1933 "carry-over" wheat and 15 percent 1934 "stocked" wheat in their milling mixtures. There was thus left 40 percent for purchase of free wheat at an open market price. On January 7 a decree was issued freeing millers of the obligation of using the 15 percent of 1934 "stocked" wheat until February 16. As February 16 approached some uneasiness developed in the market as it was not known if the Government would continue the exemption. It has now been announced that the 15 percent of the 1934 "stocked" wheat must be again incorporated and the market is now off a few francs but holding fairly steady. Until some change in the regulations is made flour millers can purchase only 40 percent of free wheat and must use 60 percent of other wheat at fixed prices.

More than 2,000 requests for authorization for denaturing covering 12,860,000 bushels were received during the month of January. Authorizations were being delivered at the rate of 367,000 bushels a day. Since the beginning of the year exports were made to the extent of 16,534,000 bushels. These continue and the Government is searching for outlets for feed wheat.

Belgium and Netherlands

Moderate import business during the month of February was reported from Rotterdam and Antwerp. In the second half of February considerable nervousness in the Rotterdam market was evident as a result of reported financial difficulties of several large grain firms. Rotterdam prices showed little variation during the month, except for a significant decline during the first week. Quotations at the end of February, contrary to the trend of overseas prices, were considerably below the beginning of the month.

Greece

The price for imported Argentine wheat has declined at Pireus in sympathy with the tendency on world markets. Wheat prices on the Pireus Exchange for the week ended February 9 averaged 66 cents per bushel compared with the January average of 69 cents and the December average of 72 cents.

Czechoslovakia

The general tendency on the Czechoslovakian grain market during February continued quiet and of a hand-to-mouth nature, with the exception of the end of the month. At that time the prospective increase in fixed prices, as usual at the end of the month, improved the buying interest and activity of the flour mills to some extent. February 6 stocks of the Monopoly Administration amounted to 8,015,000 bushels of wheat and 5,760,000 bushels of rye.

Austria

The Austrian grain market during most of February was featured by only moderate buying of wheat and rye. Firmer prices, however, tended to prevail for wheat in the second half of the month, and turnover significantly increased. The Government approved of a further purchase of 367,000 bushels of wheat from Argentina at a reduced rate of 94 to 104 cents per bushel as against an autonomous or basic tariff rate of 151 cents per bushel. The first 367,000 bushels purchased from Argentina are to be distributed to flour mills and the trade, and it is reported that roughly 30 percent of this wheat is being taken over directly by the flour mills and roughly 70 percent by the trade.

Inasmuch as Austria still has a rather large import deficit for wheat this season, and the firm tendency of prices during January and February support this assumption, negotiations are being carried on by the Austrian Government for the importation of wheat from other sources in addition to Argentina. It is intended to make these imports serve as a stimulation of Austrian exports. Press reports indicated negotiations with Yugoslavia regarding the importation by Austria of 1,837,000 bushels of wheat at a reduced tariff of 75 cents per bushel (same rate as granted to Hungary), in exchange for Austrian industrial goods, notably cotton yarn.

Denmark

Quiet trading and slightly declining quotations were reported during the first half of February for the Danish grain market. Wheat prices around the middle of the month, however, still ranged from 62 to 65 cents per bushel.

Sweden

A firm market for bread grains was reported during the month of February. The trade complained, however, that it was extremely difficult to sell Swedish wheat and rye in Denmark and Norway in view of the fact that both of these countries still had considerable quantities of French wheat on hand.

Spain

Transactions in the Spanish market were meagre and mill activity apparently light. Difficulties in connection with the legislative regulations of prices continued and new measures are now being proposed.

Poland

The depressed state in the Polish grain market noted last month continued in February. Market supporting purchases by the grain company involved mainly rye, offerings of which, however, were not particularly large. Wheat prices remained largely unchanged with little business recorded.

During the period August through December 1934, Poland exported as much as 8,444,000 bushels of rye as compared with 8,314,000 bushels for the same period last year, and 735,000 bushels of wheat and wheat flour this year as compared with a net import of 404,000 bushels for the same period last year. Almost half of the rye exports this year went to the United States, 18 percent to Germany, and 16 percent to Belgium. Premiums paid for grain exports from August through December 1934, amounted to $5,516,380 as compared with only $3,747,334 a year earlier. It is believed that practically all of the exports this season have been from carry-over or the equivalent of carry-over stocks.

Danube Basin countries

The seasonal poor condition of country roads combined with farmers' speculation for better prices later in the season have resulted in continued small deliveries to markets and exceptionally high local prices. The Governments in Danubian countries have been compelled to take steps in order to check further price increases and to encourage farmers to release more wheat.

Prices per bushel at designated markets for the week ended February 16 compared with the January average as follows (corresponding figures for the year earlier in parentheses): Sofia $1.23 ($1.22) for February 16 compared with the January average of $1.24 ($.70); Budapest $1.04 ($.70) compared with the January average of $.99 ($.59); and Novi Sad $.80 ($.65) compared with January average of $.73 ($.56).

The Oriental Wheat and Flour Market 1/

Shanghai flour mills are reported to be interested in making further purchases of wheat to fill requirements before the new crop of domestic wheat becomes available in June, according to the radiogram of March 15. Mills continue to be more interested in Australian wheat than that from Argentina due to the fact that it takes so long to make delivery from the latter country. The Shanghai flour demand from Tientsin continues strong, whereas the demand from Manchuria since the first of the year has been much below previous years, due in part to the unfavorable exchange between Manchurian currency and the Shanghai dollar, whereas the Japanese yen has a favorable exchange rate. Shanghai mills are operating 65 percent, which is slightly above the activity in March last year. Shanghai flour stocks in mills were reported below 100,000 bags, the lowest in many months.

1/ Based on weekly radiogram reports from the Shanghai office of the Foreign Agricultural Service. Prices converted at the actual rate of exchange, including official and private currency premiums.

Wheat prices, c.i.f. Shanghai, duty included, for March shipments in bulk, were quoted in the March 15 radiogram as follows: Argentine 73.5 cents per bushel (same for February 15), South Australian 78.7 cents per bushel and Swedish 71.8 cents per bushel. Shanghai flour was 88.9 cents per bag of 49 pounds for March delivery and 87.8 cents for April delivery. Australian flour, c.i.f. Hong Kong, was $2.80 per barrel of 196 pounds.

Flour mills in Shanghai during the week ended February 22 booked 2,008,000 bushels of Australian wheat and 280,000 bushels of Argentine wheat. During the week ended March 1, there were 896,000 bushels of Australian booked and 280,000 bushels of Argentine, while during the week ended March 15 there were 597,000 bushels of Australian. During the week ended March 1 there were 187,000 bushels of Australian wheat taken by Hankow mills. Flour mills in China during the week ended March 8 were reported to have booked 896,000 bushels of Australian and 299,000 bushels of Argentine. Mills in China were reported on March 8 to have purchased about 13,365,000 bushels of foreign wheat with further bookings of such wheat this season estimated at 2,000,000 to 4,000,000 bushels.

Imports of flour into China during January 1935 were reported as follows: United States 87,700 barrels of 196 pounds, Australia 13,600, Canada 11,600, others 700, total 113,600 barrels. Imports of flour into Tientsin during February were as follows: From Shanghai 118,000 barrels, United States 20,000, Canada 400, Japan 600, total 139,000 barrels. Total imports from July 1934 to February 1935 were 2,079,000 barrels compared with 1,698,000 barrels imported in the corresponding period of 1933-34. Total flour stocks at the end of February were 257,000 barrels and wheat stocks 1,493,000 bushels, the latter being considered slightly lower than normal for the time of the year. Imports of flour into South Manchuria during January, as reported by the United States Consulate at Dairen, were as follows: From Japan 1,087,000 bags, Australia 335,000, Chosen 5,000, total 1,427,000 bags. Flour stocks at Dairen on January 21 amounted to 1,519,000 bags but increased during February to more than 2,000,000 bags.

Table 10.-Canada: Distribution of the wheat crop, 1931-32 to 1934-35

Item	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, July 31	134,079	131,845	211,740	193,323
Production	321,325	443,061	281,892	275,849
Domestic utilization	118,735	107,676	101,309	103,000
Balance for export or carry-over	336,669	467,230	392,323	365,172
Net exports, wheat and flour:				
Aug.	14,236	19,761	10,779	16,444
Sept.	16,816	28,600	22,127	19,163
Oct.	21,407	42,549	25,904	23,930
Nov.	29,582	29,384	25,603	20,853
Dec.	24,364	29,945	19,318	18,824
Jan.	10,950	16,478	9,096	6,911
Feb.	11,408	12,413	7,975	1/8,600
Balance, Mar. 1	207,906	287,600	271,521	248,447

Compiled from official sources.
1/ Total exports. Net exports not available.

Table 11.-Argentina: Distribution of the wheat crop, 1931-32 to 1934-35

Item	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, Jan. 1	16,305	10,980	6,543	15,434
Production	219,696	240,689	286,120	1/225,000
Domestic utilization	95,533	95,533	95,533	95,533
Balance for export or carry-over	140,468	156,316	197,130	144,901
Exports, wheat and flour:				
Jan.	14,657	16,156	15,219	17,828
Feb.	20,384	16,769	17,212	17,520
Balance Mar. 1	105,427	123,391	164,699	109,553

Compiled from official sources except as otherwise noted.
1/ Unofficial. The official estimate is 252,059,000 bushels.

Table 12.-Australia: Distribution of the wheat crop, 1931-32 to 1934-35

Item	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, Dec. 1	16,551	10,759	18,023	1/ 35,000
Production	190,612	213,927	175,370	135,000
Domestic utilization	46,074	57,171	1/52,000	1/ 52,000
Balance for export or carry-over	161,089	167,515	141,393	118,000
Exports, wheat and flour:				
Dec.	9,312	12,368	7,481	2/ 7,632
Jan.	19,619	21,580	9,592	2/ 13,052
Feb.	21,012	27,252	9,472	2/ 10,192
Balance, Mar. 1	111,146	106,315	114,848	87,124

Compiled from official sources and the International Institute of Agriculture except as otherwise noted.

1/ Unofficial.
2/ Compiled from Broomhall's Corn Trade News.

Table 13.-Wheat: Imports into the United States for milling in bond and for domestic consumption, July 1, 1933 to February 1935 1/

Month	For United States consumption: Milling and seed wheat 2/	For United States consumption: Feed wheat 3/	For milling in bond 4/
	1,000 bushels	1,000 bushels	1,000 bushels
1933-			
July	1	0	948
Aug.	2	0	982
Sept.	5/	0	1,027
Oct.	5/	0	1,112
Nov.	19	0	941
Dec.	0	4	849
Total July-Dec.	22	4	5,859
1934-			
Jan.	9	0	855
Feb.	37	1	696
Mar.	24	0	1,121
Apr.	50	1	909
May	1	0	1,004
June	1	0	897
Total Jan.-June	122	2	5,482
Total July 1933 to June 1934	144	6	11,341
July	2	0	719
Aug.	432	0	1,020
Sept.	2,754	24	987
Oct.	1,021	66	1,248
Nov.	263	1,144	856
Dec.	449	1,458	494
Total July-Dec.	4,921	2,692	5,324
1935-			
Jan.	45	798	1,064
Feb.	150	905	1,006

Foreign Agricultural Service Division. Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ All wheat from Canada except 9,000,000 bushels from Rumania in November 1933, and 9,000,000 from France in November 1934.

2/ Tariff of 42 cents per bushel.

3/ Tariff of 10 percent ad valorem.

4/ Includes imported wheat for grinding in bond for export which enters duty free, also imported wheat ground into flour for export to Cuba upon which a small duty is paid.

5/ Less than 500 bushels.

Table 14.- Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1934-35

Country	Exports as given by official sources						
	Total			July 1 to date shown			Date
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	31,950	18,607	14,830	Jan. 31
Canada	199,563	267,342	198,555	201,349	139,529	130,070	Feb. 28
Argentina	144,920	120,272	144,849	58,095	86,709	126,500	Feb. 28
Australia	155,451	148,552	86,509	34,732	34,694	41,266	Nov. 30
Russia	71,829	19,676	33,787				
Hungary	18,064	7,010	29,615	3,947	15,969	5,580	Dec. 31
Yugoslavia	15,369	1,162	839	782	398	2,779	Nov. 30
Rumania	37,481	179	248	174	134	0	Nov. 30
Bulgaria	11,795	3,144	4,769	663	1,287	7	Sept.30
British India (L&S)	3,870	2,169	1/1,980	862	783	961	Oct. 31
Total	794,139	610,717	538,153				

	Shipments as given by trade sources						
	Total		Week ended - 1935			July 1 - Feb.16	
	1932-33	1933-34	Mar.2	Mar.9	Mar. 16	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	2,040	2,064	3,082	160,960	126,282
Canada, 4 markets 3/	289,257	194,215	663	729		134,034	
United States	41,211	37,002	136	85	93	25,520	15,578
Argentina	115,412	140,128	4,952	2,777	4,173	92,036	133,754
Australia	153,400	90,736	2,680	3,034	3,128	67,732	80,078
Russia 4/	17,408	26,656	0	0	0	26,016	1,696
Danube and Bulgaria 4/	1,704	15,872	0	0	0	10,896	616
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	588,597	495,988				357,640	342,738
Total European shipments 2/	448,672	401,560	6,816	5,672		7/ 285,512	7/ 268,192
Total ex-European shipments 2/	164,256	123,352	3,376	3,200		7/ 84,152	7/ 98,184

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To March 9.

Table 15.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept. 2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct. 28-Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec. 2-Dec. 29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Dec. 30-Feb. 2	14,236	19,660	11,936	13,052	1,232	8	22,232	10,824
Week ended								
Feb. 9	4,192	4,808	2,160	2,820	96	0	3,880	2,792
16	4,096	4,280	1,988	2,268	24	0	3,696	2,008
23	4,020	4,068	2,596	2,424	224	0	4,304	3,384
Mar. 2	2,636	4,952	1,360	2,680	24	0	4,008	2,040
9	4,944	2,777	2,028	3,034	24	0	3,904	2,064
16	4,740	4,173	1,920	3,128	160	0	4,008	3,082
Total, July 1 - Mar. 16	92,036	133,754	67,732	80,078	10,896	616	160,960	1/ 126,282

Compiled from Broomhall's Corn Trade News.

1/ Total as reported by Broomhall has been revised to include 8,000,000 bushels shipped from Canada to the United States. The revised weekly shipments are not available.

Table 16.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept.29	133	108	152	221	847	1,147
Sept.30 - Oct. 27	13	58	121	190	581	952
Oct. 28 - Dec. 1	932	147	165	217	1,707	1,167
Dec. 2 - Dec. 29	3,393	30	198	185	4,323	899
Dec. 30 - Feb. 2	2,915	16	266	137	4,165	660
Week ended						
Feb. 9	1,384	0	52	21	1,628	99
16	85	1	36	23	254	109
23	863	3	44	46	1,070	219
Mar. 2	963	0	70	29	1,292	136
9	150	0	43	18	352	85
16	970	8	55	18	1,228	93

Compiled from a weekly report of the Department of Commerce.

Table 17.-Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Jan. 31	127	115
Germany	9	1/ - 4	Jan. 31	1/ - 6	8
Italy	13	8	Nov. 30	2	2
France	39	18	Nov. 30	9	1
Belgium	41	41	Dec. 31	21	24
Netherlands	26	24	Feb. 28	17	14
Greece	20	12	Oct. 31	6	3
Czechoslovakia	7	2/	Jan. 31	1	2/
Irish Free State	3/ 18	3/ 19	Dec. 31	3/ 10	3/ 10
Switzerland	19	18	Feb. 28	12	12
Austria	13	11	Dec. 31	4	4
Denmark	12	12	Nov. 30	7	7
Sweden	4	2	Jan. 31	1	4/
Norway	8	9	Jan. 31	5	5
Finland	4	4	Jan. 31	2	2
Spain	8	2/	Dec. 31	2/	2/
Poland	1/ - 1	1/ - 2	Jan. 31	4/	1/ - 2
Estonia	4/	4/	Dec. 31	4/	4/
Portugal	3	1	Nov. 30	4/	4/
Latvia	4/	0	Oct. 31	0	0
Total	460	389		218	205

Compiled from official sources. 1/ Net exports. 2/ Net exports of less than 500,000 bushels. 3/ Total imports. 4/ Less than 500,000 bushels.

Table 18.-Wheat: Stocks in specified continental European countries, January 15 and February 15, 1934 and 1935

Position	1934 Jan. 15	1934 Feb. 15	1935 Jan. 15	1935 Feb. 15
Ports:	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
12 principal cont. ports (including following)	7,279	6,676	8,818	1/ 7,349
Antwerp	1,782	1,756	3,799	3,182
Rotterdam	3,491	2,756	2,499	2,315
Hamburg	459	404	257	---
Germany -				
Berlin (wheat & flour) 2/	2,161	2,216	3,090	3,072
"Second-hand" stocks - (wheat & flour) 2/ 3/	49,611	53,991	70,025	1/75,085
Farm stocks 2/	99,023	78,521	67,571	50,926
Other -				
Swedish mill stocks of wheat 2/	3,638	3,178	3,318	

1/ Preliminary. 2/ First of the month. 3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin and Hamburg data.

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April 19, 1935

WORLD WHEAT PROSPECTS

Summary

Advances in world prices during the past month together with continued moisture deficiency in parts of the winter wheat area have been strengthening influences in domestic wheat markets. The advance in world prices are largely the result of an increase in European import demand and a decrease in overseas shipments. Winter wheat acreage abandonment is more extensive this year than usual but less than last year. In the worst sections complete loss of acreage was reported, and abandonment of about 28 percent of the entire winter wheat sown acreage was indicated by April 1 condition.

The production of winter wheat, based on April 1 condition, is forecast at 435,000,000 bushels, which represents a reduction from earlier estimates. Total domestic production, however, still appears likely to be more than ample to take care of domestic utilization in 1935-36, if we continue to have fairly favorable conditions in the spring wheat area. Recent moisture in that area has averaged better than normal and while subsoil moisture is lacking, conditions are generally favorable for seed germination.

April 1 farm stocks this year, estimated at 93,699,000 bushels, are the smallest since 1928, when they were 88,057,000 bushels. Moreover, the total of farm stocks plus commercial stocks this year, amounting to 145,581,000 bushels, is the smallest since 1926.

During March, world shipments declined 382,000 bushels from the January-February level, March shipments averaging 9,696,000 bushels per week. Shipments during the April-June period this year are likely to average higher than for the same period a year ago, when they averaged 9,608,000 bushels per week. Political and economic conditions in European countries together with the price policy pursued by Canada will largely determine the amounts of the spring shipments.

The April 1 surplus of wheat available for export or carry-over in the principal exporting countries plus United Kingdom port stocks and quantities afloat appear to be about 629,000,000 bushels compared with 872,000,000 last year and 933,000,000 two years ago. The April 1 surplus in the Danubian countries is placed at 17,400,000 bushels.

In Europe, estimates of acreage, excluding Russia, are about 2 percent greater than last year. Crop prospects at this time generally compare favorably with former years, except for parts of eastern Europe, where in many sections damage has been reported. Rainfall for most districts has been fully average or above for the season to date. This is not true of Russia, however, where many southern sections have had disappointing amounts of snow or rain.

In Canada, even though reserve moisture continues to be lacking over large areas of the spring wheat section, moisture conditions are considered better than at this time a year ago.

Prices

Present conditions in the United States suggest that wheat prices during the next month will average higher than February levels. Crop developments, however, will be of primary importance in influencing the market. Continued moisture deficiency in parts of the winter wheat area, including western Nebraska, Kansas, and Oklahoma, the Texas Panhandle and eastern Colorado and New Mexico, has resulted in a large proportion of the acreage being abandoned. In the worst sections of this area, complete loss of acreage was reported, as of April 1, while abandonment of about 28 percent

of the entire winter wheat sown acreage was indicated. Condition of winter wheat was reported at 69.8 percent of normal, compared with 74.3 percent on the same date in 1934 and the 10-year average (1923-1932) April 1 condition of 78.9 percent. Recent advances in world prices are also a strengthening influence on our domestic markets. Liverpool prices of May futures rose sharply from mid-March to early April, largely as the result of an increase in European import demand and a decrease in overseas shipments. The increase in European demand is in part due to war fears which have resulted in the increasing of stocks as a reserve in case of possible trouble. This rise in Liverpool prices, however, has been reflected, only in part thus far, in increased prices in the United States, Chicago May futures being 22.5 cents over Liverpool for the week ended March 16 and only 17.1 cents for the week ended April 6.

In Canada, even though reserve moisture continues to be lacking over large areas of the spring wheat section, moisture conditions are considered better than at this time a year ago.

The United States average farm price of wheat as of March 15 was 85.5 cents per bushel, compared with 87.9 cents a month previous and 70.9 cents as of mid-March last year. Market price changes since March indicate that the April 15 farm price will be higher than on March 15. Market prices after declining generally from mid-February to mid-March rose during the latter part of the month. Thus, at Kansas City, No. 2 Hard Winter, which averaged 94.9 cents for the week ended March 16, averaged 98.2 for the last week of the month. At Minneapolis, No. 1 Dark Northern Spring rose during the same period from 110.6 to 114.8 cents and at St. Louis No. 2 Red Winter rose from 92.0 to 93.8 cents. While No. 2 Hard Amber Durum at Minneapolis dropped from 130.5 cents for the week ended March 16, to 126.5 for the week ended March 30, it rose again to an average of 130.2 cents the first week in April. Other prices for the week ended April 6 are as shown in Table 1.

Table 1.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/....	93	102	86	98	88	108	70	85	70	77	54	4/64
Low 3/....	84	92	77	89	80	99	65	80	64	69	51	4/54
Mar. 16 ...	88	92	80	90	84	100	68	82	65	72	53	55
23 ...	89	94	79	93	84	103	68	84	66	75	53	58
30 ...	87	95	79	95	83	104	68	84	67	76	54	60
Apr. 6 ...	87	94	78	93	83	103	67	87	70	78	54	62

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ January 1 to date. 4/ March and May futures.

Table 2.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No.2 Hard 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western white Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/....	93	114	87	103	92	120	115	147	93	105	78	86
Low 3/....	82	104	81	95	84	111	92	126	87	92	74	81
Mar. 16 ...	88	104	83	95	90	111	112	131	89	92	76	81
23 ...	90	107	82	96	90	111	115	126	88	93	75	82
30 ...	89	107	81	98	88	115	108	127	87	94	75	83
Apr. 6 ...	87	107	82	98	88	115	102	130	87	93	75	

1/ Amber Durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ January 1 to date.

Table 3.- Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, February - April, 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb. 2	99.0	117.0	71.5	53.9	70.3	62.0	220	143	218
9	97.8	114.1	71.5	54.2	68.6	62.1	222	143	217
16	99.6	114.9	72.0	54.0	68.0	61.0	223	143	216
23	-	116.0	72.4	54.0	68.1	60.9	224	140	221
Mar. 2	101.1	115.7	73.1	53.9	67.4	60.5	225	-	-
9	97.8	113.4	72.8	53.1	67.2	58.5	228	140	227
16	94.9	110.6	73.2	54.8	67.1	58.5	227	137	225
23	95.8	111.1	74.2	57.4	70.8	58.5	225	132	226
30	98.2	114.8	76.0	59.5	74.0		225	-	
Apr. 6	98.0	114.8	77.8	62.6	77.9				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

Winter Wheat Acreage

Official estimates of the 1935 acreage sown to winter wheat, as reported for 21 countries, total 156,857,000 acres, an increase of 2 percent over the 153,768,000 acres sown in the same countries for the 1934 crop when they represented nearly three fourths of the Northern Hemisphere winter and spring wheat acreage.

Estimates are now available for countries representing about 90 percent of the European wheat acreage excluding Russia. Fifteen countries have reported a total of 71,394,000 acres, which is an increase of 2 percent over last year.

Twelve European countries reported 36,375,000 acres sown to rye, a decrease of 1.1 percent from the 1934 area. Germany estimated a decrease of 3 percent in the area sown and Poland 1 percent. These 12 countries represent nearly 90 percent of the total European rye acreage, exclusive of Russia.

The first estimate of the 1935 production of wheat in the Punjab, India during the current season is 132,460,000 bushels. The first estimate of the 1934 production was 130,853,000 bushels and the final estimate was 121,445,000 bushels. The Punjab is an important wheat producing province and represents about 30 percent of the total wheat area of India.

Table 4.- Winter wheat: Acreage sown in specified countries, 1933-34 to 1935-36

Country	1933-34	1934-35	1935-36
	1,000 acres	1,000 acres	1,000 acres
United States	42,669	41,850	44,306
Canada	595	698	663
Total (2)	43,264	42,548	44,969
Italy	12,504	12,030	12,165
France	12,863	12,770	13,007
Germany	5,051	4,927	4,609
Greece	1,712	1,986	2,020
Czechoslovakia	2,160	2,099	2,212
Lithuania	393	403	425
Finland	45	45	51
Latvia	183	209	207
England and Wales	1,660	1,759	1/ 1,830
Spain	11,168	11,039	11,063
Poland	3,741	3,711	3,794
Bulgaria	2,882	3,025	3,010
Hungary	3,890	3,816	2/ 3,904
Rumania	7,110	6,827	7,858
Yugoslavia	5,157	5,208	2/ 5,239
Total (15)	70,319	69,856	71,394
Algeria	3/ 3,993	4,065	4,016
Egypt	1,426	1,441	1,448
Total (2)	5,419	5,506	5,464
India 4/	32,386	34,683	33,811
Syria and Lebanon	1,212	1,175	1,219
Total (2)	33,598	35,858	35,030
Total (21)	152,800	153,768	156,857
U.S.S.R.	28,058	29,900	31,800

Compiled from official sources except as otherwise noted.
1/ Based on a reported 4 percent increase over 1934.
2/ Estimated by the Belgrade office of the Foreign Agricultural Service.
3/ Final estimate of total area.
4/ Second estimate.

Crop Conditions

Central European countries

Germany - At the beginning of March a cold wave swept over Germany, which was generally accompanied by rather abundant snow-fall. Several severe freezes were experienced, particularly at night, with temperatures dropping in many cases to around zero Fahrenheit. This was particularly true of eastern Germany, where the lowest temperatures were registered.

This unusually cold weather for this time of the year continued during the first half of March and gave rise to some fears of crop damage, particularly in cases where crops were not well protected by snow. However, it is not thought that much serious damage has occurred, although real damage from the freezing temperatures will probably not show up until a little later. Beginning with the third week of March, spring weather set in, with only slight frosts at night, and preparations for field work were resumed and greatly assisted by the prevailing weather conditions.

Poland - Reports from Poland in March were very limited. The severe cold spell in the early part of the month, coupled with previous complaints of insufficient snow cover and fears of damage, would indicate that the outlook is not altogether favorable at present.

Austria - The official March report on Austrian crop conditions indicates that most grain fields have come through the winter satisfactorily and look well. Only in places in the Marchfield and Tulin Basin districts around Vienna is winter damage reported, and this appears to be slight. Severe frosts were experienced during the first half of March, but owing to abundant snowfall occurring simultaneously, no harm appears to have been done, and the present outlook compares very favorably with this time last year.

Western Mediterranean countries

Italy - Conditions are generally favorable in Italy, and growth has been good. The latter part of February was characterized by fine days, some rain and relatively mild temperatures. The first 15 days of March were likewise fine with a slight decrease in temperature. Cultivation was actively pursued the latter part of March, but wintry weather was again reported for early April.

Present prospects are very good in some of the northern regions, with less favorable reports received from Tuscany and the South. While progress has left something to be desired in these latter areas because of frost and excessive moisture, it is not believed that damage is extensive or will not be overcome to a considerable degree.

France - The growing wheat in France is in good condition and while there are some unfavorable reports, they are mainly local in character. During early March an abundance of moisture was received, even causing floods in some localities. A spell of colder weather resulted in a widespread snow cover, but this did not last long. Just what effect this winter's heavy moisture supplies will have on ultimate yields is as yet too early to determine. In some quarters the belief is held that there may be an

excessive growth of straw with lighter yields. There are also some reports of yellowing in the central departments. However, considering the situation in its entirety and with normal growing conditions for the balance of the season, the harvest might again be adequate to meet all domestic requirements.

Spain - Conditions during March were dry, with periods of cold which were somewhat detrimental because of the heavy night frosts. However, beneficial rains were reported for early April. With normal conditions for the rest of the year, a fairly good crop is still in prospect.

Morocco - The entire crop is now in good condition and growth has been favorable during the past month. Rainfall has been light since the latter part of February and while no damage has resulted from this fact, rains are now required, particularly in the eastern districts. The weeding of the cereal crops, done by hand labor in Morocco, is in active progress.

Algeria - Since the middle of February, weather conditions have been favorable to the growing wheat crop in Algeria. The excessive soil moisture has disappeared and growth in the central area has been good. In the West the better weather has done much to promote sprouting which had been greatly delayed. While prospects are improving at present, timely rains will be needed during the next month to carry the crop to harvest. There has been little precipitation recently and because of the shallow working of the soil which this year was even less thorough than usual, the growing grain cannot resist well any very extended period of dryness. According to reports, however, producers appear satisfied with the way in which crops are growing. On the basis of present prospects, good crops are expected in the East and Center and a medium crop in the West.

Tunisia - The very heavy moisture supplies which fell in the northern districts during the winter months did not cause great damage to the growing plants. Durum wheat has come through very well but some of the selected varieties of bread wheat of high yield have not stooled satisfactorily. Taking the Regency as a whole, conditions are not unfavorable. A well distributed rainfall and absence of sirocco until harvest can result in a good crop. The critical period of the year is now approaching and in the extreme south barley is beginning to head.

Scandinavian and Baltic countries

Grain crop prospects, both in Sweden and Denmark, appear generally satisfactory for this time of the year, with no particular winter damage reported.

Considerable deterioration of crops was reported to have taken place, however, in Latvia and Estonia as a result of winter damage. In these countries warm February weather brought about the melting of the snow cover, so that crops were unprotected when March freezes occurred. In the case of Estonia, plant rot is reported on a considerable scale and a part of the crop is thought to be lost.

Danube Basin countries

The condition of winter seedings is generally good in the entire Danubian Basin. After mild weather at the end of February there was a sudden return of low temperatures and of snowfall during the first half of March. These unseasonable weather conditions, however, do not appear to have resulted in any damage to seedings.

Russia

The outlook for winter crops in the Soviet Union appears to have turned less favorable during the past 2 months as a result of marked fluctuations in temperatures since the end of January. Around the 20th of February, spring seemed to have set in suddenly and prematurely throughout the whole Union. As a result, widespread thawing occurred, so that when a return of cold weather took place during the first half of March, crops in the southern half of the Union were unprotected by snow and in many localities an ice cover was formed. During early March sharp frosts were general, except in Crimea and parts of the North Caucasus, where they were light. Late in the month, cold temperatures were reported for Ukraine, but the weather in other southern states remained mild.

While there is no doubt that the sharp fluctuations of temperature during the past weeks adversely influenced the condition of winter crops, local reports received to date do not lend themselves to generalization. It can, however, be stated that this year's winter kill in the Union is likely to be above normal.

Recent agricultural news also reveals concern with respect to the condition of the so-called "extra early" spring sowings. The return of winter weather in early March interrupted the development of these sowings which had taken place on a rather extensive scale in Usbekistan, Central Asia, parts of North Caucasus and the south of Ukraine, prior to the occurrence of the frosts. It was feared that these sowings might be greatly damaged, due to the fact that the fields were not immediately harrowed or rolled. "Extra early" sowings are usually broadcast by hand on fields that are still quite wet or muddy and then worked into the ground as the fields begin to dry. In view of the fact that the fields were not immediately harrowed or rolled this year because of the weather, the seeds remained unprotected from frosts, rain and birds.

There are several indications that soil moisture in a large part of the South is not abundant, which may prove an important factor during the current spring sowing campaign. There was a prolonged period of dryness experienced in the autumn in a large section of the steppe regions of Ukraine. Furthermore, snow cover was not abundant this year in the South. Thus, strong winds during the first half of March, at the time when the soil was bare, dried the soil rapidly and decreased the amount of sub-soil moisture. Technical features, such as tractor repairing, have proceeded in accordance with the plan and normal spring weather should make possible active seedings during the current month.

United States Stocks and Prospective Supplies

April 1 farm stocks this year are estimated at 93,699,000 bushels compared with 116,298,000 as of the corresponding date last year and 183,185,000 in 1933. The April 1 stocks this year are the smallest since 1928 when they were 88,057,000 bushels. Moreover, the total of farm stocks plus commercial stocks this year is the smallest since 1926, amounting this year to 145,581,000 bushels, compared with 213,430,000 a year ago, 318,737,000 in 1933 and 117,223,000 in 1926. Commercial stocks on April 1 this year were 51,882,000 bushels, compared with 97,132,000 a year ago and 135,552,000 in 1933. No figures are as yet available for merchant mill stocks which last year totaled 101,301,000 bushels and the year before 111,495,000 bushels.

Production of winter wheat in 1935, based on April 1 condition, was forecast by the Crop Reporting Board at 435,499,000 bushels compared with 405,034,000 bushels produced in 1934 and 350,792,000 bushels in 1933. This represents a reduction from earlier estimates, under fairly favorable conditions from now on in the spring wheat area it is probable that total production will still be more than ample to take care of domestic utilization in 1935-36. Recent moisture in the spring wheat states is averaging better than normal and while subsoil moisture is lacking, conditons are generally favorable in the area for seed germination.

Rye condition on April 1 was reported by the Crop Reporting Board at 76.4 percent of normal compared with 63.8 percent a year ago and the 10-year average April 1 condition of 82.3 percent. Deficient moisture conditions throughout a large section in the strip of states from Texas and Oklahoma to Montana and Idaho reduced rye condition in this general area to much below that of a year ago. Better weather conditions in other states, particularly the Dakotas, Minnesota, and Wisconsin, have resulted in an April 1 rye condition for the country as a whole which is well above that of last year, although it failed to reach the 10-year average.

World Trade and Surpluses

World shipments in March declined from the January and February level, March shipments averaging 9,696,000 bushels per week, compared with the January - February average of 10,078,000 bushels. March shipments last year averaged 10,078,000 bushels (the same as in January - February this year) and those for January - February 11,251,000 bushels. The March decline this year was due primarily to the falling-off in the shipments from Argentina. Current figures by countries are shown in Tables 10 and 11.

It is especially difficult this year to estimate shipments for the rest of the season because of political and economic uncertainties in European countries and the uncertain price policy which will be pursued by Canada whose exports become increasingly important at this time of the year. It would appear, however, that while shipments may tend to fall-off in the near future in harmony with the seasonal trend, they may be expected to average higher for the April - June period than shipments for the same period a year ago, when they averaged 9,608,000 bushels per week. There is doubt, however, that world shipments will average as high as 12,000,000 bushels weekly during the remainder of the season, which would be necessary if some trade forecasts are to be borne out.

The surplus of wheat available for export or carry-over, in the principal exporting countries, as of April 1, appears to be in the vicinity[1/] of 587,000,000 bushels this year, compared with 821,000,000 last year and 871,000,000 in 1933. Assuming these totals and adding approximations [1/] for United Kingdom port stocks and quantities afloat give approximately 629,000,000 bushels as a total for the current year, compared with 872,000,000 last year and 933,000,000,2 years ago.

If shipments from the exporting countries average materially larger during the months, April to June, than they did for the same period a year ago, the surplus may be reduced correspondingly below 500,000,000 on July 1. To the foregoing surpluses must be added that for the Danubian countries which on April 1 was placed at 17,400,000 bushels. During the past month, exports from Danubian countries were practically negligible. No exports have been reported for Russia since early December.

1/ Complete figures not available at time of publication.

Table 5.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, April 1, 1932 - 1935

Position	Apr. 1			
	1932	1933	1934	1935 prel.
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	415	399	299	1/ 150
Canadian wheat	11	6	6	16
Canada:				
Domestic wheat	196	271	259	(239)
United States wheat	28	6	2	1
Argentina	79	105	147	2/ 105
Australia	92	84	108	76
Total	821	871	821	(587)
United Kingdom port stocks:				
Wheat	14	9	14	(13)
Flour (as wheat)	1	1	1	
Afloat for United Kingdom	18	21	15	13
Afloat for Continent	25	16	8	7
Afloat for orders	16	15	13	9
Total	74	62	51	42
Grand total	895	933	872	629

1/ Estimated carry-over. It is expected that there will be some net imports during the period January - June consisting mostly of feed wheat.
2/ Based on the official estimate of production of 238,317,000 bushels. The estimate carried in this table previously was based on an unofficial estimate of 225,000,000 bushels.

New Regulations and Agreements 1/

Germany

An increase in wheat and rye flour prices of 4 cents per barrel of 196 pounds for March and April and another 4 cents (in some districts 5 cents) for the month of May have been decreed by the Central Union of the German Grain Trade. This organization on February 1 took over the function of fixing of flour prices. Prices had been unchanged from October to January.

These increases in flour prices for the period March to May are to take care of about half of the monthly increases in the fixed prices for wheat and rye. The increases in fixed grain prices from October to January, when flour prices were unchanged, have been charged entirely to the flour mill price spread. However, since the bread price cannot be raised, the decreed price increases for flour will have to come out of the bakers' spread. It is now provided that some bakers are to receive an equalization payment out of the newly established bakers' equalization fund. (See World Wheat Prospects for March 29, 1935). This equalization fund has been put in operation already in Pomerania, Mecklenburg and Badenia, and the subsidies which some bakers receive are said to fluctuate between 25 and 35 cents per barrel of 196 pounds of flour. In other districts the creation of the bakers' fund will be postponed until the bread market regulation appears, which is expected shortly.

Danubian Basin countries

The Hungarian and Rumanian Governments are now making preparations in connection with their wheat marketing policy for 1935-36. It has been recently announced that the idea of the introduction of a complete wheat monopoly in Hungary, and the reintroduction of "bread-stamps" in Rumania have been abandoned.

According to Rumanian official announcements, a "Little Entente Four Year Plan" agreement has recently been concluded in Prague, Czechoslovakia, which provides for an intensification of the exchange of goods between Czechoslovakia, Rumania and Yugoslavia, to open the way to an eventual customs-union between these countries. This agreement may result in increased Czechoslovakian takings of Rumanian and Yugoslavian wheat in the future.

Spain and Portugal

New measures to sustain the wheat market in Spain and Portugal were recently undertaken by these Governments. The good crops of the past few years in Spain and the efforts in Portugal to make the country self-supporting in wheat have resulted in a surplus condition which depresses prices or makes the sustaining of the established price level difficult.

1/ Reported by Gordon P. Boals, Assistant Agricultural Attache', Berlin; Louis G. Michael, Agricultural Attache', Belgrade, and L. D. Mallory, Assistant Agricultural Attache', Paris. Conversions to United States money made at current rate during March.

In Spain a regime of fixed prices has been in effect but the new Spanish Wheat Law is evidence that further support to price was needed and it has taken the form of encouraging storing. In Portugal the National Federation of Wheat Producers will store wheat following purchase under fixed prices.

The Spanish Wheat Law 1/ confers wide powers upon the Minister of Agriculture to provide for the storing of wheat, to regulate sales and to control the opening of mills. Funds for carrying out the program are provided by two means; first the receipts obtained from the difference between the buying and selling prices of corn imported duty free under commercial treaties and subject to State control, and second; the receipts of a tax of not more than 3.7 cents per bushel to be imposed on all wheat transactions.

The Minister of Agriculture may arrange for the progressive sale of the stored or carried-over wheat. Corollary to his power to extend the length of time for which grain is held, he may prorogate loans made by the National Agricultural Credit Service for which the wheat is collateral. He may prohibit the opening of new flour mills and the expansion of existing establishments. Mills which have stopped running for no sound reason may be restrained from reopening for 1 year. In addition to these matters regulating the trade in grain the Minister may, until such time as a law is promulgated, regulate the production and marketing of wheat and prevent the planting of new areas to cereals. To facilitate holding, a sum of $6,861,600 is to be placed at the disposal of the Agricultural Credit Service in order that the provincial Juntas 2/ may make advances of 75 to 80 percent to sellers waiting to find buyers.

The storage program may be effected in one of two ways or as a combination of the two. The first method is the offering of a premium not to exceed 9 percent of the value per annum for wheat voluntarily carried over, up to a limit of 22,046,000 bushels.

Those storing wheat may fix the period of withholding it from market, and may shorten this period following authorization from the state, or the Government may shorten the period if it is considered necessary. The Minister of Agriculture is also given power to extend the period of storage up to March 15, 1936.

The value of the lots of wheat withheld from market is calculated at the price in force at the time at which it entered storage and sale price is guaranteed equal to the price at the time storage was made. (The grain to be in sound condition). In those cases where the period of storage is extended, a preference shall be granted by the National Service for Agricultural Credit.

The second method which may be used is to buy wheat up to a quantity of 22,046,000 bushels at a fixed price. This purchase is by private capital, the grain to be withheld from market. The private capital so employed is to be remunerated at a rate not to exceed 9 percent per annum.

1/ Reported in El Norte de Castille - March 3, 1935.

2/ "Junta" is the official organization or corporation set up in each Province through which all wheat transactions must pass.

In case this second method is employed the private capital is to be raised by public bid. The successful bidder is required to buy and withhold from market the quantity of wheat stated in the terms of the bid. The bidder is to be given a monopoly on corn imports which may be made only through it with the participation of the state at prices fixed by the Minister of Agriculture.

A mixed system composed of the two methods may also be employed in which 14,697,000 bushels are purchased and a further 7,349,000 bushels carried over.

The lack of a well developed or adequate system of grain elevators or storage warehouses is a major reason for encouraging the holding of grain either by individuals or through a private organization.

The whole plan is a type of valorization scheme and is following along the same lines developed by the French Government. Such plans can hardly be discussed from the standpoint of economic soundness for their extent and duration are mainly questions of how much the country is willing to pay for benefiting a particular section of the agricultural population. As in some of the other plans employed in Europe there is undoubtedly an idea of providing against vagaries of the weather.

The Portuguese plan 1/ is not as far reaching as the Spanish regulations and is a tentative system for the storage of surplus wheat produced in Portugal. In the statement made by the Government the last harvest was placed at 20,503,000 bushels which, together with 3,307,000 bushels carry-over, gave an available supply of 23,810,000 bushels. Consumption for the 6 months ended January 31, 1935 was estimated at 6,430,000 bushels, which on a 12-month basis would be 12,860,000 bushels leaving a possible surplus of some 10,950,000 bushels at the next harvest.

The National Federation of Wheat Producers buys this wheat at prices fixed officially from time to time, charges being deducted for storage. The Federation has contracts for the storage of a part of the excess and it is understood that millers will carry a stock of 3,674,000 bushels. Producers are also requested to store the remainder as far as they have facilities. Plans are that the Federation will construct suitable storage space over a period of time and a loan of $660,000.00 has been made by the Government to be amortized during 10 years.

The estimated cost of carrying the stored wheat including depreciation is 7.22 cents per bushel to be deducted from the price. It has been announced that since June 30, 1934 the Federation had purchased some 9,186,000 bushels of wheat at an average price of about $1.76 per bushel.

Russia

The decree fixing the grain tax-in-kind for the 1935 harvest was published on March 4. The decree states that the per hectare grain delivery norm is to remain unchanged for all regions except Ukraine and Kasakstan. In the case of the latter two important grain regions

1/ Decree No. 25, 125 , Diario de Governo, March 13, 1935.

a reduction is announced, from about 3 centners per hectare to 2.4 centners in Ukraine 1/ and from 1.7 to 1.5 centners per hectare in Kasakstan.

The decree further stiuplated the exact delivery norms for a number of regions recently created through the dividing of previous administrative units. While it is not indicated that norms for these new regions represent a change as compared with the delivery norms of the previous administrative regions, it appears that some reduction has nevertheless taken place in the case of the former North Caucasus, the former Western Siberia and former Lower Volga.

A further feature of the 1935 grain tax plan is the fact that delivery norms for individual peasants which previously have been 5 to 10 percent above those of the collectives of the respective region appear now considerably higher in all grain regions, Crimea excepted. It now ranges from 17 to 50 percent above that of the collectives for the same region. The grain tax for 1935 when closely examined appears to provide for a rather general reduction for collectives in the important regions as compared with 1933 and 1934, which can scarcely be offset by the increase in the norms for individual peasants.

Bread Grain Production and Trade in Hungary 2/

Hungary has an area of 35,654 square miles, or smaller than that of the State of Indiana, and a population of slightly less than 9,000,000. It is predominantly a wheat-bread consuming country and one of the few wheat surplus-producing countries of Europe.

During the pre-war period, 1909-1913, annual wheat production within the present-day boundaries of Hungary averaged 71,493,000 bushels. (See Table 6) In recent years production has been somewhat higher, averaging for the 1924-1928 period, 74,859,000 bushels and for the 1929-1933 period, 78,539,000 bushels, this latter figure representing an increase of nearly 10 percent over pre-war production. Annual rye production during the pre-war period, 1909-1913, averaged 31,377,000 bushels an amount less than one half as great as that of wheat. Unlike wheat, rye production in recent years has been lower than in pre-war times, averaging for the 1924-1928 period 28,199,000 bushels, and for the 1929-1933 period 29,891,000 bushels. Because of an unusually severe drought in Hungary during the spring and summer of 1934, both the wheat and rye crops were the lowest in recent years.

Hungary's foreign trade in wheat and rye is almost solely as exports. Normally the country produces a surplus over domestic requirements of about 20,000,000 bushels of wheat and from 5,000,000 to 10,000,000

1/ The tax amounted to 3.1 centners per hectare in 1933 and in 1934 a reduction was announced for one region of Ukraine. It is not thought, however, to have especially influenced the total. The figures for both Ukraine and Kasakstan apply to collectives not served by machine-tractor stations. Attention is also drawn to the fact that all the following comparative figures refer to grain delivery norms for collectives not served by machine-tractor stations; it is believed that they are very representative of the situation.

2/ Condensed from an article by J. H. Shollenberger in "Foreign Crops and Markets" for March 25, 1935.

bushels of rye. This surplus grain is usually exported to other European countries, principally Austria, Czechoslovakia, Italy, Switzerland, and Germany. Formerly the major portion of these exports consisted of flour, but in recent years the greater part has been grain. The milling capacity of Hungary is great enough to grind the exportable wheat and rye surpluses into flour, but the import flour market has been killed in most countries by duties and import restrictions more discriminatory against flour than against grain. See Table 7 , for statistical data on wheat and flour exports.

Domestic wheats

In the 19th century, before the hard wheats of North America had become known on the markets of the world, Hungarian wheats were highly esteemed for their quality. The superior quality of the former, however, has considerably lessened the prestige of Hungarian wheat. The introduction during the World War period of high-yielding varieties which were of poor baking quality also had a damaging effect on their reputation. Since the World War, production of these varieties has continued to a greater or lesser extent, with the result that the quality of Hungarian wheats still falls short of the pre-war standard.

Hungarian wheats at the present time are predominantly red in color and of winter habit. Less than 2 percent is spring sown. Some wheat of the durum species is produced, but a great preponderance of the production is of the common type (Triticum vulgare). In texture or hardness of kernel, the common wheats range from soft to hard with the bulk of them either of soft or semi-hard texture. The soft wheats resemble the soft red winter wheats of eastern United States. Some of the wheats of hard texture resemble the United States Hard Red Spring type and some the United States Hard Red Winter type.

The moisture content of Hungarian wheats is relatively low as compared with that of the wheats of western Europe. Especially is this true at harvest time. According to information obtained from the Cereal and Flour Research Institute at Budapest, the usual moisture content at harvest time is 10 to 11 percent. After the fall rains begin, it rises to 12 to 14 percent.

The commercial wheats of Hungary frequently contain an appreciable percentage of foreign matter. Rye, vetch, and corn cockle are the principal kinds. Smut balls and nematode galls (Tylenchus tritici, Steinback, Bastian) are of common occurrence, but are not present to any great extent.

The principal wheat-producing area of Hungary is a black-soil plain which usually is hot and relatively dry during the ripening and harvesting season of the year. This wheat belt is somewhat similar to the great wheat-production areas of Kansas and Nebraska. The wheats of best quality are produced in the driest and hottest section of this plain. As in the United States, these high-quality wheats are much sought after by the domestic millers, who generally are willing to pay a premium for them over wheat of ordinary or average quality.

At the town of Croshaza, reputed to be the producing center for the wheats of best quality, a number of the larger milling concerns of Hungary maintain buying agencies during the marketing season of the year. To this town farmers from the surrounding country bring their wheat in wagons and "stand on market," in much the same manner as do vegetable and meat men who market their products in open market places. In the principal wheat marketing season of the year the main street of the town on market days is lined with farmers' wagons containing wheat on display for sale. Buyers make the rounds of these wagons examining the various lots of wheat offered and bidding on those which they desire to buy. The test weight of the wheat and its quality, as indicated by appearance are taken into account by the buyer when bidding. If the bids received by the farmer are not satisfactory to him, it frequently happens that he will haul his grain back home to be marketed some other day when he hopes a more favorable price will be offered. The extra time and labor involved in taking wheat to market a second time is given little consideration by the farmer because it is usually done at the season of the year when work is slack and when the farmer can receive no other compensation for his time or for his horses' services.

As mentioned before, the quality of Hungarian wheats deteriorated during the World War and this condition continued for some time after the war. About 1928, however, the Government began to take definite action to effect an improvement in quality. Through the three government plant-breeding stations located in the various agricultural regions of the country, seven improved varieties, adapted to local conditions were at first selected as the medium through which the Government proposed to improve the quality of the domestic wheat crop. Later the number was reduced to four. Seed from the selected varieties multiplied in such a manner that in 1931 there was available approximately 10,000 bushels of high-grade seed wheat. This seed wheat the Government in the fall of 1931 distributed among large estate operators for further multiplication for seed purposes. In the fall of 1932 approximately 367,000 bushels of improved wheat were distributed to farmers and in 1933 approximately 550,000 bushels. These distributions and the Government's propaganda for variety improvement resulted in the planting of about one third of the entire acreage of the country with the improved wheat in the fall of 1933. Government officials expect that by 1936 practically the entire wheat production of Hungary will be of these selected varieties.

All of the selected varieties are of red color. Some of them are of the Soft Red Winter type, while the others are either of the Hard Red Winter or Hard Red Spring types. Probably the most important of the improved varieties from the standpoint of quality and acreage planted is Bankuti No. 1201, which is a cross between a wheat of the original Hungarian type and Marquis. It somewhat resembles Marquis wheat in physical appearance.

As evidence of the improvement already made in the commercial wheats of Hungary, it has been said that, whereas the quality of Hungarian export wheat was often criticized before 1933, foreign buyers have repeatedly given testimonials of their satisfaction during the 1933 and 1934 crop years. This improvement in the quality of Hungarian commercial wheat increases its competitive potentiality with American wheat in foreign markets. Moreover, it is reported that the newly introduced varieties are more productive than those which they are replacing. If this is true, then the decrease in acreage which has occurred in recent years should be partly offset by the increase in yield.

Government regulations affecting the grain and milling industries

The need for governmental assistance to the Hungarian wheat producer began in the 19th century when the competition of American wheat, both on the domestic and the world markets, forced the price of Hungarian wheats below the cost of production. To correct this situation, a 6 gold-crown per quintal duty was placed on imports of wheat into Austria-Hungary. Shortly after the beginning of the 20th century even this duty proved to be ineffective protection against American competition. In consequence, farmers requested that the import duty be increased to 9 gold-crowns. This request was granted and the higher rate became valid in March 1906. Apparently this gave the protection desired, because available cost of production data show profitable returns to the wheat growers for the years from 1906 to the outbreak of the World War.

Because of the separation of Austria and other territory from Hungary at the conclusion of the World War, the Hungary of today has a somewhat different problem in respect to the disposal of her wheat crop than formerly. The great shrinkage in the domestic market resulting from these separations has greatly increased the importance to her agricultural industry of her export trade in wheat and flour. The Hungarian farmer's concern now is the competition of foreign grain in the world market rather than on the domestic market. This latter has been taken care of by the virtual prohibition of importations of foreign wheat and flour, but the former could not be treated so simply.

Since the war the Hungarian Government has intervened in the grain trade to improve the farmer's condition. It has exercised various monopolistic powers through the medium of certain permanent institutions set up for the purpose of regulating internal and external trade; and with these as a nucleus it has resorted to a number of measures on the side of control technique. Most striking among these is the "grain ticket" system adopted July 15, 1930. Under this system a prospective purchaser of wheat, rye, or their mixture, both imported and domestic, had to obtain a permit in the form of a grain ticket from the local municipal authorities at a cost fixed by decree each crop year. The proceeds from the sale of these tickets went into a central fund known as the cereals valorization fund. Included with the ticket was a coupon which had to be detached and given to the producer so that in addition to the selling price of the grain he received a coupon which was redeemed by the Government. As the grain moved from one buyer to another, each was obligated to purchase the accompanying ticket, minus the coupon, from the preceding owner. In the case of exports of grain and flour the Government took up these tickets and reimbursed the exporter in order that Hungarian grain and flour could compete in the world market. This, in effect, constituted a bounty on exports. In the case of milling for domestic consumption, the miller received no reimbursement. Thus, in this instance the ticket system was in effect a processing tax, the tax being paid through the medium of the Government-issued, coupon-bearing ticket purchased by the original buyer of the grain. The redemption value of the coupon given to the farmer constituted a premium above the world market price for wheat.

By a governmental decree effective July 1, 1934, the grain ticket system was abolished and the premium previously received by producers was replaced by other farm-aid measures consisting of (1) a refund of land tax, (2) a reduction in the amount of obligatory public work to be done by farm-

ers, (3) a reduction of the railway freight rates on certain agrarian products, and (4) the promotion of the sale of farm products.

Other measures which have been put into effect for the wheat farmers' assistance in recent years include the following: For a short time premiums were paid on the exportation of wheat or its equivalent in flour, amounting to as much as 3.5 pengos per quintal (16 cents per bushel). A duty of 35 cents per bushel, plus a 3 percent tax, was placed on wheat imports, and on imports of wheat flour there was placed a duty of about $2.35 per barrel, plus the turnover tax of 3 percent. Special trade agreements were made with several western European countries which have secured for Hungarian wheat preferential access to their markets.

Table 6.-Wheat: Acreage, production, yield, trade, and amount available for consumption in Hungary, averages 1909-1913, 1924-1933, 1929 - 1933, annual 1929-1934

Year	Acreage			Production			Yield per acre
	Winter	Spring	Total	Winter	Spring	Total	
	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:							
1909-1913 ...	---	---	3,712	---	---	71,493	19.3
1924-1928 ...	3,731	47	3,779	74,015	843	74,859	19.6
1929-1933 ...	3,869	55	3,925	77,737	802	78,539	20.1
Annual:							
1929	3,648	60	3,708	74,071	914	74,985	20.2
1930	4,121	66	4,187	83,336	1,003	84,339	20.1
1931	3,952	59	4,011	71,849	701	72,550	18.5
1932	3,747	46	3,793	63,935	528	64,463	17.0
1933	3,879	45	3,924	95,494	862	96,356	24.6
1934			3,921			61,446	15.7

Year	Imports 1/		Exports 1/		Available for consumption 2/	
	Wheat	Flour 3/	Wheat	Flour 3/	Total	Per capita
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:						
1909-1913 ...	4/ 7,214		4/ 49,116		29,591	1.4
1924-1928 ...	212	2	11,182	9,200	54,691	6.5
1929-1933 ...	1	1	14,229	6,677	57,635	6.6
Annual:						
1929	1	2	17,718	13,697		
1930	1	1	9,090	9,335		
1931	5/	1	13,053	5,011		
1932	2	5/	5,123	1,887		
1933	5/	5/	26,160	3,455		
1934						

Compiled in Foreign Agricultural Service Division from official sources.
1/ Years beginning July.
2/ Stocks at beginning and end of periods disregarded.
3/ Converted to grain on basis of 4.5 bushels per barrel.
4/ Years beginning August 1, International Institute of Agriculture.
5/ Less than 500 bushels.

Table 7.-Wheat and wheat flour 1/: Exports from Hungary in terms of grain, by principal countries of destination, 1925-1933

Country	1925	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
WHEAT									
Austria	3,886	6,720	4,378	3,779	5,784	4,422	5,869	2,570	4,409
Czechoslovakia	2,411	4,181	5,462	4,182	4,160	4,353	83	282	1,057
Rumania	224	52	1	47	450	2	62	2/	---
Yugoslavia	215	2	11	134	3	1	55	2/	---
Germany	363	584	108	5	1,209	161	66	2,410	---
Switzerland	124	84	13	186	1,716	310	1,092	24	1,811
Italy	683	2,915	431	237	2,081	3,335	399	1	1,657
Belgium	---	---	---	---	219	---	602	2/	216
France	---	---	---	---	65	2/	1,525	---	287
Great Britain	---	---	---	---	---	---	2,594	---	805
Netherlands	---	---	---	---	316	---	212	---	---
Greece	2	---	---	18	569	45	621	---	---
Turkey	0	0	0	588	773	73	0	0	---
Poland	102	293	1,033	1,254	421	56	0	0	---
Other countries	0	0	0	19	91	1	79	2	6,321
Total	8,010	14,831	11,437	10,449	17,857	12,759	13,259	5,288	16,543
WHEAT FLOUR									
Austria	3,525	4,792	5,571	6,751	8,666	7,539	4,598	2,356	2,113
Czechoslovakia	4,411	2,221	2,078	2,736	2,622	3,185	2	370	89
Germany	112	216	107	46	204	130	30	---	---
Switzerland	14	550	446	428	521	359	876	121	1
Italy	73	268	24	45	211	231	282	24	151
Poland	2,017	---	64	---	18	5	---	---	---
Great Britain	12	13	37	36	687	123	345	181	109
Rumania	99	---	---	---	---	2/	---	---	---
Turkey	---	---	---	1	6	---	2/	---	---
Yugoslavia	165	5	---	139	1	5	---	---	---
Norway	---	---	23	12	17	15	40	36	65
Other countries	24	299	33	26	533	228	181	5	169
Total	10,452	8,364	8,383	10,220	13,486	11,820	6,354	3,093	2,697

Compiled from official sources.

1/ Wheat flour in terms of grain. Includes semolina and Red Dog flour, converted to grain on the basis of $4\frac{1}{3}$ bushels equivalent to 1 barrel of flour.

2/ Less than 500 bushels.

The Continental European Wheat Market Situation during March 1/

Wheat trading in central and northern European markets was of fair volume during March, but continued largely for immediate requirements. Denmark has again distinguished itself by additional purchases of feed wheat and is joining Belgium and Holland as one of the most active important continental markets. A large share of the imports into Denmark, however, is from continental supplies, notably from France, and to some extent from Sweden; much wheat is being used to replace oil cakes in cattle feeding.

Rather liberal offerings of domestic wheat were made in Germany, Czechoslovakia and Sweden. In Poland, wheat stocks were indicated to have been greatly reduced, at least as far as exportable supplies are concerned. Overseas wheat purchases continued to be affected in fair volume by Holland and Belgium, and Austria also maintained its takings of Argentine wheat. In addition, Austria negotiated for purchases of wheat in Rumania and secured more Hungarian wheat flour by way of compensation trading. Czechoslovakia continued to refrain from purchases of foreign wheat during March, inasmuch as present supplies and commitments are estimated to provide for the season's needs and also to leave some carry-over at the end of the current crop year. Germany continued to take some small quantities of foreign wheat. Net imports for the season have averaged about 1,100,000 bushels a month. This contrasts with a year ago, when there were net exports.

Some revisions have been made in the European import estimates for this season as a result of further trade developments and information received during the past month. The changes result in an estimated net increase of around 9,000,000 bushels and bring the net import figures for Europe, excluding the Danubian countries, up to between 381,000,000 and 413,000,000 bushels. (See World Wheat Prospect for March 29, 1935). The estimate for Germany has been increased by 5,000,000 bushels and that of Denmark by 2,000,000 bushels. On the other hand, it is now estimated that France may export about 2,000,000 bushels less.

Continental European prices for domestic wheat showed an irregular trend during March, being definitely downward in a number of countries, but firm and with a rising tendency in others. Those countries with weak markets included France, Poland, Denmark, and Latvia, while in Germany and Czechoslovakia, where prices are fixed, the supply and demand situation was such as to reveal some downward price pressure. On the other hand, in Italy, Austria, Estonia, and Sweden, the markets were generally steady to firm with slightly higher prices, reflecting in some cases changing supply conditions. Rising wheat quotations were also observed throughout the month on the Rotterdam futures market in contrast with decreasing overseas prices. Rye prices at Rotterdam have shown irregular tendencies, with a slight rise during the first half of March for some offerings, but general declines occurring in the second half of the month. Domestic rye prices on the continental markets of origin have generally revealed a downward trend. Wheat stocks in specified European countries for February and March are shown in Table 12.

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany, March 28, L. D. Mallory, Assistant Agricultural Attache, Paris, France, March 22, and Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, March 21, 1935. All price quotations have been converted at current rates of exchange.

Germany

Grain and flour trading in Germany during March continued to exhibit a hand-to-mouth tendency which is characteristic of a controlled market, there being little incentive to make forward commitments. Offerings of wheat and rye during the month were relatively large.

It may be said that bread grain supplies are quite plentiful in Germany this season and that some carry-over into next year seems assured. Stocks of wheat and flour at the end of February this year amounted to roughly 110,000,000 bushels. Even if consumption for the months, March to July, inclusive, should continue at the high average rate of 15,000,000 bushels a month, it would leave a balance of roughly 37,000,000 bushels of wheat to be carried over into the new season. In these calculations, account has not been taken of further net importations of wheat that may occur. So far this season, imports have averaged around 1,100,000 bushels a month.

Recent press statements give an estimate of 20,000,000 bushels of rye to be carried over into the new crop year. This figure, however, seems too large in view of the fact that the denaturing and sale of rye for feed purposes has now been undertaken by the Reich Office for Grain. This action is likely to lead to increased feeding of rye during the next few months, particularly in view of the rather rapid exhaustion of barley and oats stocks. Some wheat is also being denatured for feeding purposes.

The situation for feed grains and feedstuffs, moreover, is relatively stringent as compared with the surplus situation in bread grains. This is further evidenced by the fact that at the present time the trade often demands a delivery of feed grains, notably oats, simultaneously with purchases of bread grains. Last fall, however, bread grains were obtainable from farmers in many cases only against a return delivery of bran. Such market demands and operations tend to offset to a limited extent the difficulties in adjusting supply and demand conditions in a fixed price system.

Estimates of Germany's net import requirements for the current season have been revised upward from a range of from 6,000,000 to 9,000,000 bushels to from 11,000,000 to 13,000,000 bushels, as the result of further trade developments.

A comparison of the wheat disappearance figures for September through February this season, with those for the same period a year earlier, continues to indicate an increase in disappearance of roughly 10 percent over the corresponding period in 1933-34.

Wheat and rye flour prices were unchanged from October 1934 to January 1935, inclusive. Some adjustments and increases, however, have been made since the beginning of February in harmony with government control, although bread prices remain unchanged. The difficulties experienced by certain bakers in operating with reduced price spreads is met in part, by equalization payments. This procedure has just started to operate in certain districts and indicates the necessity for some elasticity in any system of control.

Table 8.- Germany: Calculation of wheat disappearance, 1933-34 and 1934-35

Year and period	Estimated stocks beginning of period 1/	Net imports 2/	Supplies	Estimated stocks, end of period 1/	Calculated disappearance
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1933-34:					
Sept.	233,026	- 1,764	231,262	200,214	3/ 31,048
Oct.	200,214	- 1,139	199,075	179,050	3/ 20,025
Nov.	179,050	- 2,131	176,919	164,978	11,941
Dec.	164,978	- 2,058	162,920	147,892	15,028
Jan.	147,892	- 772	147,120	131,762	15,358
Feb.	131,762	+ 478	132,240	118,020	14,220
Sept. - Feb.	233,026	- 7,386	225,640	118,020	107,620
1934-35:					
Sept.	223,436	992	224,428	186,325	3/ 38,103
Oct.	186,325	1,470	187,795	165,896	3/ 21,899
Nov.	165,896	1,102	166,998	151,125	15,873
Dec.	151,125	1,066	152,191	136,538	15,653
Jan.	136,538	882	137,420	125,625	11,795
Feb.	125,625	882	126,507	111,700	14,807
Sept. - Feb.	223,436	6,393	229,829	111,700	118,129

1/ Farm stocks of wheat; and second-hand stocks of wheat and flour, domestic and foreign duty-paid.
2/ Wheat and flour
3/ Include fall seed requirements.

Italy markets

Prices of domestic wheat quoted on the Milan exchange have increased several lire, being at about 99 lire ($2.25 to $2.27 per bushel) for a fortnight and rising to 100 lire ($2.26) the past week. Foreign wheats are no longer quoted since trading in them is useless under the rulings that they may be imported only under special provisions. Prices on the Italian market now bear little relation to world supplies and prices, and it appears that purchases for import will be made on a basis of national convenience or advantage. During the past week the sale of 735,000 bushels of Hungarian wheat was made through the official Italian Committee for use in southern Italy. Total imports of wheat from July 1, 1934 to February 28, 1935 were 10,742,000 bushels as compared with 9,343,000 bushels for the same period of the preceding year.

France

Prices in France have been variable during the past month. The market is not strong and the surplus situation is beginning to make itself felt more strongly. The new crop will of course be the major factor in the market outlook for if it equals domestic requirements, conditions will be none too good and if there is another surplus, prices may be expected to fall.

There is some trade comment to the effect that the surplus may not be sufficiently dealt with in the next 4 months to remove pressure on the

market. Export sales of milling wheat have been slow and no denatured wheat had been authorized for export up to March 21. On March 22, the Government published a notice that denatured feed wheat would be authorized for export. Sales opportunity for this, however, is somewhat limited. It now appears that France might export around 2,000,000 less bushels of wheat this season than expected at the time of the estimate a month ago.

Belgium and Netherlands

Fairly large quantities of overseas wheat, notably from Argentina, moved into Belgium and Netherlands during the month of March. Buying activity by these two countries was also of fair volume. The steadily rising quotations of foreign wheat in the Rotterdam Futures market, a movement which was opposite to that in the American markets, contributed to strengthening the current buying demand.

Greece

Wheat prices on the Pireus Exchange for the week ended March 16 averaged 67 cents per bushel, compared with the same price in February, and 69 cents in January.

Czechoslovakia

The huge stocks of grain and flour in flour mills continued to make for very quiet trading in Czechoslovakian markets during the month of March. Some slight improvement in the demand for rye, however, was reported during the second half of the month, as supplies appeared less plentiful than in the case of wheat. Flour mills operators are very much dissatisfied with their present business situation and claim that the price spreads between fixed monopoly grain prices and flour prices are inadequate to cover their current expenses. It was rumored that the flour mill industry favored some sort of demonstrative action to emphasize their unsatisfactory situation, and that a complete shutdown of mills for a week or two may occur. The industry desires that flour be included in the monopoly regulations, thereby assuring it a definite margin.

According to recent reports, the monopoly administration purchased a total of 1,659,000 short tons of grain and sold 1,040,000 short tons during the period August 1, 1934 to the middle of March 1935. Monopoly stocks on March 15, thus amounted to 619,000 short tons and were made up of 9,406,000 bushels of wheat, 5,807,000 of rye, 61,800,000 of barley, 92,700,000 of oats, and 3,800,000 of corn. Press comments indicate the probability that before the new crop is harvested, rye and corn stocks will be entirely used up. Whether or not there will be a carry-over of barley and oats at the end of the season will depend entirely, it is thought, upon what measures the Government may take. In the case of wheat, on the other hand, trade opinion is rather unanimous in the conclusion that, considering the import obligation toward Yugoslavia (total 6,246,000 bushels, partly imported), the monopoly administration may have to carry over into the new crop season roughly 7,000,000 bushels. The fact that supplies are relatively large seems to be confirmed by the recent efforts of government authorities and the grain monopoly administration to convince farmers that an expansion of bread grain acreage this spring would be against their best interests. A proclamation to farmers was made, indicating that in no case should there be sowing of wheat this spring, and only a limited sowing of barley and oats. It is also rumored that

official crop acreage control may be instituted, with field officers checking actual plantings by farmers; these officers would also be expected to cooperate in making crop forecasts.

The Czechoslovakian sur-tariffs on grains have been changed, effective March 10, from Kc.20.00 to Kc.18.00 per 100 kilograms (23 to 21 cents per bushel on basis of current exchange during March) for wheat and from Kc.31.00 to Kc.30.00 for rye (33 to 32 cents per bushel).

Austria

Quiet trading during March in both wheat and rye was reported for Austria, with some buying of foreign wheat, especially of Argentine and Hungarian origin. Early in March 367,000 bushels of Argentine wheat were reported to have been purchased, in addition to the previously acquired 735,000 bushels. Recent reports also indicate that negotiations with Rumania are under way regarding the acquisition of wheat from that country, probably against certain concessions from Austrian industrial exports by Rumania. It is said that a quantity of 588,000 bushels of wheat, at the reduced tariff rate of 75 cents per bushel, would be involved in the deal. Another compensation deal is reported in regard to Hungarian wheat flour. Austria expects to deliver 40,000 tons of iron-ore to Hungary in exchange for Hungarian wheat flour, over and above the existing season contingent of 1,837,000 bushels.

Denmark

The state of the domestic grain market during the month of March was reported unsatisfactory, with prices declining slightly, and the turnover slow. Wheat was quoted at $0.58 to $0.61 per bushel and rye at $0.65 to $0.68. About 735,000 bushels of French feed wheat, not denatured, were reported to have been purchased by Denmark during the month of February for delivery in March and further quantities of French wheat were acquired during March. French and other feed wheats this season are playing an important part in cattle feeding in Denmark. This extensive utilization of wheat for feeding purposes, the most notable since the 1928-29 season, may push up Danish import figures for the current season beyond the estimates of a month ago by perhaps 2,000,000 bushels.

Sweden

The Swedish grain market during March reported almost unchanged quotations for wheat and rye, with the market turnover of bread grains of limited volume. Quotations of wheat during the latter half of the month ranged from $1.12 to $1.14 per bushel and those for rye were between $0.95 and $1.00 per bushel. Quotations for foreign wheat were reported to be nominal as there was almost a complete absence of trade in such wheats.

Around the middle of the month it was indicated that the Government had authorized the exportation of another 55,000 short tons of grain. Bread grain exports from Sweden from July to January this season totaled about 110,000 short tons, of which 2,953,000 bushels were of rye. It is still uncertain how the apparent existing surplus in bread grains will be disposed of. Various suggestions have been made, including one to the effect that an additional utilization of 331,000 short tons of bread grains should be brought about by making 165,000 short tons available for feeding purposes at very favorable terms, and forcing the exportation, probably by subsidy, of

another 165,000 short tons at a low export price. Present admixture percentages for domestic wheat and rye are 90 and 98 percent, respectively, so that some foreign wheat is still permitted to satisfy quality demands of the milling trade.

Poland

The depressed state of the Polish grain market continued during the month of March, with prices of wheat and rye decling and the turnover small. It seems, however, that surplus wheat stocks are about depleted, at least as far as supplies for exportation are concerned. Rye and oats stocks are still considered important. Offerings of rye were relatively large throughout the month.

Estonia

During the first half of March, rising prices were reported from Estonia. This is a continuation of a previously observed market trend. Relatively unsatisfactory conditions of the winter crops are reported to account at least partly for this tendency. In the face of the growing market situation the government has abandoned its previous plans to sell further quantities of wheat and rye to Germany and Finland.

Latvia

Latvian grain markets during the first half of March reported a slight decline in prices and quiet trading. Some exportation of rye has taken place with 118,000 bushels sold to Austria and 79,000 bushels to Denmark. Of the 4,920,000 bushels of rye acquired by the Grain Administration from the 1934 harvest, 2,953,000 bushels have so far been sold. In regard to wheat, the Grain Administration still holds roughly 2,939,000 bushels from the 1934 crop and about 919,000 bushels more are expected to be taken over from farmers. Trade estimates, however, indicate that of this total of 3,858,000 bushels, only about 2,205,000 bushels can be placed on the domestic market.

It appears to be in connection with this difficult situation that recent reports have suggested that the government purchase prices for domestic wheat from the next crop will be considerably reduced. Nevertheless, it is still indicated that they will be maintained above world market parity. It was also rumored recently that the export premiums for agricultural products shall be gradually eliminated.

Danube Basin countries

Market demand was dull in the Danube countries, even though deliv ries continued small, due to the poor condition of roads. There was a tendency for prices to weaken.

Prices per bushel at designated markets for the week ended March 16, compared with the February average, were as follows (corresponding figures for the year earlier in parentheses): Sofia $1.25 ($1.23) for March 16, compared with the February average of $1.24 ($1.21); Budapest $1.00 ($.80), compared with the February average of $1.03 ($.69); and Novi Sad $.76 ($.65) compared with the February average of $.79 ($.63).

Although negotiations are in progress between Danubian and central European countries for the sale of large quantities of Danubian wheat for delivery until the end of June, it is improbable that the entire estimated April 1, 1935 statistical carry-over of 17,369,000 bushels will actually be exported until July 1. Exports from July 1, 1934 to March 31, 1935 total approximately 11,989,000 bushels.

From the estimated Bulgarian export surplus of 2,204,000 bushels, only 7,000 bushels have been exported to date, which leaves a statistical carry-over of 2,197,000 bushels. No arrangements have been made for the exportation of this quantity and it is possible that the larger part of this quantity will not be exported.

In Hungary, the April 1 carry-over is placed at about 6,467,000 bushels, whereas 8,231,000 bushels have already been exported this year. It is reported that sales transactions on the basis of the 8,084,000-bushel Austrian, 3,674,000-bushel Italian import quota secured for Hungarian wheat by the Rome agreement, have already been completed and wheat equivalent to almost nine tenths of the undelivered quantity of these quotas is already in the hands of grain dealers and the "Futura", the cooperative organization acting on behalf of the Government. Negotiations are also in progress with Swiss importers for a parcel of 367,000 bushels to be delivered during April. It is also said that the importation of large quantities of Hungarian wheat from the 1935 crop has been discussed in the course of recent negotiations for the conclusion of a new Swiss-Hungarian clearing agreement.

The Roumanian 1934-35 surplus has been estimated at 3,674,000 bushels by the Danube Basin office, from which quantity nothing has been exported to date. At the end of February the Government Wheat Commissioner held about 5,144,000 bushels of wheat accumulated in the course of stabilization purchases (purchased at a price of around $1.18 per bushel) all or part of which must be exported in order to relieve internal markets. On February 28, it was reported that negotiations were in an advanced stage between the Austrian and the Roumanian Governments for the sale of 1,470,000 bushels of Roumanian wheat at a price equal to that paid by the Roumanian Wheat Commissioner to farmers, plus shipping cost to Vienna. At the same time the Roumanian Government has concluded a contract with the Czechoslovakian Skoda Establishments (armament factories), which provides for a sale of 1,470,000 to 1,837,000 bushels of Roumanian wheat to the Czechoslovakian Grain Monopoly in payment for armament. Other offers for the purchasing of 367,000 to 735,000 bushels of Roumanian wheat on a barter basis have been received from Switzerland and other countries.

The Yugoslavian carry-over as of April 1 is approximately 5,067,000 bushels. Negotiations with Austria conducted during February remained without results and the Yugoslavian Privileged Export Company has ceased to buy, beginning with March. It is probable that Czechoslovakia will buy Yugoslavian wheat during the late spring months, but it is doubtful that the entire surplus will be exported until the end of the current marketing year.

The Oriental Wheat and Flour Market 1/

No foreign wheat was booked in Shanghai for the middle of March since the last report. Mill operators in China are unwilling to purchase foreign wheat at recent high prices. Shanghai mills desire to buy about five more cargoes but it is doubtful if anymore will be purchased this season unless prices decline. Roumanian wheat samples were received in Shanghai during the first week in April and wheat offered at 77.95 cents per bushel, but millers were not interested in the late June-July deliveries. After mid-March, the flour market showed an advance and has been very firm since that time. Mills continue to operate 65 percent of capacity and have no stocks on hand.

The nominal wheat price, c.i.f. Shanghai duty included was 87 cents per bushel, for Australian, according to the radiogram of April 6. Shanghai flour for April delivery was quoted at 89 cents per bag of 49 pounds and for May, 88 cents. Prices for the week ended March 29 were as follows: Wheat, c.i.f., Shanghai duty included, for April shipment: Argentine, 79 cents per bushel; Australian (New South Wales) 84 cents; Danubian, 75 cents. Domestic flour for April and May delivery was 87 cents per bag of 49 pounds; Australian flour, c.i.f. Hong Kong, was $3.20 per barrel of 196 pounds.

Imports of wheat into Shanghai during February were reported as follows: Argentine 322,000 bushels, Australian 942,000 bushels; total 1,264,000 bushels. Imports of flour into China during February were reported as follows: United States, 28,571 barrels; Australia, 10,204 barrels; Canada, 7,483 barrels; Japan, 681 barrels; total 46,939 barrels.

Consul General Adams, at Harbin, reports that wheat stocks in North Manchuria, on March 1, were 4,200,000 bushels, which is larger than on the same date a year ago. Harbin flour mills are not pleased with the recent revision in railroad freight rates, which were reduced from 16.75 Manchurian Yuan, per kilo ton to 8.74 from Hsinking to Harbin but were raised from 7.30 to 8.74 from Harbin to Hsinking. This results in freight rates which are favorable for the sale of foreign flour in Harbin.

1/ Based on weekly radiogram reports from the Shanghai office of the Foreign Agricultural Service. Prices converted at the actual rate of exchange, including official and private currency premiums.

Table 9.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35 1/

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29- Sept. 1	19	2,158	228	280	1,091	3,474
Sept.2 - Sept.29	133	108	152	221	847	1,147
Sept.30- Oct. 27	13	58	121	190	581	952
Oct. 28- Dec. 1	932	147	165	217	1,707	1,167
Dec. 2 - Dec. 29	3,393	30	198	185	4,323	899
Dec. 30- Feb. 2	2,915	16	266	137	4,165	660
Feb. 3 - Mar. 2	3,295	4	202	119	4,244	563
Week ended						
Mar. 9	150	---	43	18	352	85
16	970	8	55	14	1,228	74
23	617	---	30	56	758	263
30	520	---	35	19	684	89
Apr. 6	1,245	---	42	40	1,442	188

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 10.- Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1934-35

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,707	41,211	37,002	34,124	22,645	16,130	Feb.28
Canada	199,563	267,342	198,555	201,349	139,529	130,070	Feb.28
Argentina	144,920	120,272	144,849	76,354	104,084	144,128	Mar.31
Australia	155,451	148,552	86,509	47,100	42,175	49,775	Dec.31
Russia	71,[illegible]	19,676	33,787				
Hungary	18,064	7,010	29,615	3,947	15,969	5,580	Dec.31
Yugoslavia	15,369	1,162	839	1,002	408	3,324	Dec.31
Rumania	37,481	179	248	174	134	0	Nov.30
Bulgaria	11,705	3,144	4,769	663	1,287	7	Sept.30
British India (L&S)	3,870	2,169	1/1,980	1,214	1,130	1,344	Dec.31
Total	794,139	610,717	538,153				

	Shipments as given by trade sources						
	Total		Week ended - 1935			July 1 - Apr.6	
	1932-33	1933-34	Mar.23	Mar.30	Apr. 6	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	2,496	2,183	2,721	171,120	133,728
Canada, 4 markets 3/	289,257	194,215	732	1,234		135,907	
United States	41,211	37,002	263	89	188	28,819	16,823
Argentina	115,412	140,128	2,823	4,869	5,066	102,536	146,515
Australia	153,400	90,736	2,242	2,955	1,229	71,976	86,504
Russia 4/	17,405	26,656	0	0	0	26,272	1,696
Danube and Bulgaria 4/	1,704	15,872	0	0	0	11,496	624
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	588,597	495,988				383,400	369,379
Total European shipments 2/	448,672	401,560	5,928	7,304		7/ 305,520	7/ 288,528
Total ex-European shipments 2/	164,256	123,352	2,752	3,504		7/ 94,488	7/ 109,008

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To March 30.

Table 11.-Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept. 2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct.28-Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec. 2-Dec. 29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Dec. 30-Feb. 2	14,236	19,660	11,936	13,052	1,232	8	22,232	10,824
Feb. 3-Mar. 2	14,944	18,108	8,104	10,192	368	0	15,888	10,224
Week ended:								
Mar. 9	4,944	2,777	2,028	3,034	24	0	3,904	2,064
16	4,740	4,173	1,920	3,128	160	8	4,008	3,128
23	4,040	2,826	1,824	2,242	0	0	3,360	2,496
30	4,044	4,869	1,096	2,955	64	0	3,536	2,183
Apr. 6	2,416	5,066	1,324	1,229	536	0	3,264	2,721
Total, July 1-Apr. 6	102,536	146,515	71,976	86,504	11,496	624	171,120	1/ 133,728

Compiled from Broomhall's Corn Trade News.

1/ Total as reported by Broomhall has been revised to include 8,000,000 bushels shipped from Canada to the United States. The revised weekly shipments are not available.

Table 12.-Wheat: Stocks in specified continental European countries, February 15 and March 15, 1934 and 1935

Position	1934		1935	
	Feb. 15	Mar. 15	Feb. 15	Mar. 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
12 principal cont. ports (including following)	6,676	6,099	1/ 7,340	1/ 6,048
Antwerp	1,756	2,506	3,182	3,178
Rotterdam	2,756	2,039	2,337	1,345
Germany-				
Berlin(wheat & flour) 2/	2,216	2,140	3,072	2,943
"Second-hand"stocks- (wheat & flour) 2/3/ ...	53,991	55,578	75,592	75,331
Farm stocks 2/	78,521	63,162	50,926	37,148
Other-				
Swedish mill stocks of wheat 2/	3,178	3,395	3,531	

1/ Preliminary. 2/ First of the months. 3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin data.

Table 13.-Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported		
			July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Feb. 28	142	131
Germany	9	1/ - 4	Feb. 28	1/ - 6	9
Italy	13	8	Dec. 31	2	2
France	39	18	Dec. 31	10	1/ -2
Belgium	41	41	Dec. 31	21	24
Netherlands	26	24	Feb. 28	17	14
Greece	20	12	Oct. 31	6	3
Czechoslovakia	7	2/	Feb. 28	3/	3/
Irish Free State	4/ 18	4/ 19	Jan. 31	11	10
Switzerland	19	18	Feb. 28	12	12
Austria	13	11	Dec. 31	4	4
Denmark	12	12	Nov. 30	7	7
Sweden	4	2	Feb. 28	1	3/
Norway	8	9	Feb. 28	5	6
Finland	4	4	Jan. 31	2	2
Spain	8	2/	Jan. 31	2/	2/
Poland	1/ -1	1/ -2	Feb. 28	2/	1/ -2
Estonia	3/	3/	Dec. 31	3/	3/
Portugal	3	1	Dec. 31	3/	3/
Latvia	3/	0	Dec. 31	---	2/
Total	460	389		234	220

Compiled from official sources.

1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.
4/ Total imports.

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May 31, 1935

WORLD WHEAT PROSPECTS

Summary

The 1935 wheat crop in the United States will be ample to meet normal domestic requirements, according to present indications. Winter wheat production, as interpreted from May 1 conditions, is indicated at 432,000,000 bushels. If the spring wheat acreage as indicated by reports of farmers' intentions is sown and if average yields are realized, a total crop of at least 650,000,000 bushels may be expected as compared with normal domestic utilization of about 625,000,000 bushels.

Total wheat stocks in the United States for April 1 are estimated at 294,000,000 bushels. On the basis of this figure, allowing for probable disappearance during the remainder of the season, a carry-over of between 150,000,000 and 170,000,000 bushels is indicated for July 1, 1935, compared with normal year-end stocks of about 125,000,000 bushels. This carry-over, added to the crop indicated by conditions to date, would provide a small export surplus. Wheat prices in the United States have been gradually declining since about April 22, and the decline in this country has been relatively greater than in the Liverpool market. This is a normal readjustment toward the opening of the new marketing season.

The wheat acreage for the 1935 harvest in the 26 countries for which reports are available, which last year represented about 90 percent of the total Northern Hemisphere, exclusive of Russia and China, indicates an increase of 3 percent compared with 1934, but a decrease of 0.1 percent from the acreage reported by these countries in 1933.

The spring wheat acreage in Canada is likely to be 3 percent less than in 1934 and 14 percent less than the peak year of 1932. The acreage in 13 European countries, which last year represented over 90 percent of the total, indicates an increase of 1.6 percent over that for 1934 and an increase of 0.3 percent compared with 1933. The four exporting countries of the Danube Basin report increases in acreage amounting to about 6 percent over that for 1934. Acreage in the four North African countries is estimated to be approximately the same as last year but conditions in the French Colonies are greatly inferior to a year ago. India reports a smaller acreage but a larger production.

The rye acreage for the 1935 harvest in 17 countries, which last year represented about 88 percent of the total Northern Hemisphere, excluding Russia and China, is 41,287,000 acres, which represents an increase of 3 percent. The acreage in the United States is indicated to be 3,474,000 acres compared with 1,937,000 in 1934 and 3,144,000 for the 10-year (1925-1934) average.

In Canada the spring has been cold and wet, but conditions in general are considered better than in 1934. Crop prospects in European countries may be characterized on the whole as from fair to good, even though there has been some decline in condition in a few countries during the past month.

Wheat Acreage

The wheat area for the 1935 harvest in the 26 countries for which reports are available is 190,954,000 acres, which is an increase of 3 percent over the 185,276,000 acres in these countries in 1934 but a decrease of 0.1 percent from the 191,132,000 acres reported by these countries in 1933. The indicated increase in the acreage for these countries this year compared with is largely the result of the indicated spring wheat acreage of 16,000,000 acres this year being materially greater than the 9,000,000 acres harvested last year, when abandonment was heavy due to the drought . The reports of the spring wheat acreage in

both the United States and Canada are not estimates of the area seeded but are reports of farmers' intentions to plant. The winter wheat area remaining for harvest in the United States is 30,497,000 acres compared with 32,945,000 acres harvested in 1934. The spring wheat area in Canada is indicated to be about 22,808,000 acres, according to farmers' report of intentions to plant as of May 1. This acreage compares with 23,559,000 acres in 1934 and 26,646,000 acres in the peak year, 1932. The winter wheat area remaining for harvest is 537,000 acres compared with 428,000 acres last year.

The acreage in 18 European countries is reported at 73,602,000 acres, an increase of 1.6 percent over the 1934 area. The four exporting countries of the Danube Basin have increased their acreage more than 6 percent over the 1934 area. The largest increase has occurred in Rumania where the winter wheat area is more than 1,000,000 acres greater than last season. Bulgaria is the only country in this group to report a reduction in acreage. Other important wheat-growing countries to report larger areas are France, Italy, Poland, Czechoslovakia, and Spain. Germany is the only country so far to report a significant decrease.

The acreage in the four North African countries is approximately the same as last year but conditions in the French colonies are greatly inferior to a year ago.

India reported a smaller acreage but a larger production. The April forecast of the crop was 378,896,000 bushels compared with 349,365,000 bushels harvested in 1934. Trade estimates of the current crop were somewhat lower than the official estimate. The May forecast of the production in the Punjab which produces nearly one-third of the Indian crop was increased to 133,562,000 bushels compared with the April forecast of 132,460,000 bushels and the final 1934 estimate of 121,445,000 bushels.

The Shanghai Office of the Foreign Agricultural Service in a report dated May 17 stated that indications at that time were that the 1935 wheat harvest in China would be significantly below last year's crop. Dry weather in North Manchuria delayed the seeding of spring wheat. The present outlook in Japan is for a production about the same as last year.

Table 1.- Wheat: Acreage in specified countries, 1933-1935

Country	Year of harvest 1933	1934	1935
	1,000 acres	1,000 acres	1,000 acres
United States -			
Winter	28,485	32,945	30,497
Spring	19,425	9,290	1/ 17,847
Canada 2/	25,991	23,985	3/ 23,345
Total (2)	73,901	66,220	71,689
Europe -			
Belgium 4/	369	379	381
Czechoslovakia 2/	2,273	2,329	2,387
England and Wales 2/	1,660	1,759	1,839
Finland 4/	45	51	56
France 2/	13,503	13,109	13,185
Germany 4/	5,051	4,927	4,609
Greece 2/	1,712	1,987	2,020
Italy 4/	12,504	12,030	12,165
Latvia 4/	183	210	207
Lithuania 4/	393	403	425
Luxemburg 4/	33	39	39
Poland 4/	3,741	3,776	3,794
Portugal 2/	1,424	1,458	5/ 1,297
Spain 2/	11,168	11,039	11,063
Total (14)	54,059	53,496	53,452
Bulgaria 2/	3,097	3,089	3,037
Hungary 4/	3,890	3,818	6/ 3,903
Rumania 4/	7,110	6,824	7,858
Yugoslavia 4/	5,158	5,208	5,345
Total (4)	19,255	18,939	20,143
Total Europe (18)	73,314	72,435	73,602
Africa -			
Algeria 2/	3,993	4,065	4,016
Morocco 2/	3,209	3,018	3,163
Tunis 2/	1,754	1,903	1,816
Egypt 2/	1,426	1,441	1,439
Total Africa (4)	10,382	10,427	10,434
Asia -			
India 7/	32,323	35,019	33,950
Syria and Lebanon 2/	1,212	1,175	1,279
Total Asia (2)	33,535	36,194	35,229
Total 26 countries	191,132	185,273	190,954
Russia 4/	23,078	29,900	31,830
Estimated Northern Hemisphere winter and spring total, excluding Russia and China	208,209	202,800	

Compiled from official sources except as otherwise noted.
1/ Acreage indicated by reports of farmers' intentions to plant.
2/ Total acreage. 3/ Winter acreage plus intentions to plant spring wheat.
4/ Winter acreage. 5/ Estimated in the Paris Office of the Foreign Agricultural Service. 6/ Estimated in the Belgrade Office of the Foreign Agricultural Service. 7/ April estimate.

Rye Acreage

The rye acreage for the 1935 harvest in 17 countries is 41,287,000 acres compared with 39,949,000 acres in the same countries last year. The increase in the United States from 1,937,000 acres in 1934 to 3,474,000 in this year more than offset the decrease in European acreage. Russia, which is not included in these totals, reported a decrease of 4 percent.

The total area in 15 European countries is 37,074,000 acres which is 1 percent less than in 1934 and 2 percent less than in 1933. Germany, which ranks next to Russia in rye production, estimated the winter rye area at 10,670,000 acres or 3 percent less than last season. In Poland the winter acreage is above 1934 while in France and Czechoslovakia the area is approximately the same.

Table 2.- Rye: Acreage in specified countries, 1933 - 1935 1/

Country	Harvest year 1933	1934	1935
	1,000 acres	1,000 acres	1,000 acres
United States 2/	2,349	1,937	3,474
Canada	583	735	3/ 739
Total (2)	2,932	2,672	4,213
Belgium	554	544	526
Bulgaria	516	476	430
Czechoslovakia	2,595	2,473	2,472
Finland	575	606	628
France	1,708	1,629	1,660
Germany 4/	11,077	10,980	10,670
Greece	183	204	185
Hungary 4/	1,665	5/ 1,611	5/ 1,581
Latvia 4/	627	654	647
Lithuania 4/	1,201	1,216	1,260
Luxemburg	21	19	19
Poland 4/	14,212	13,951	14,100
Rumania 4/	924	886	951
Spain	1,460	1,451	1,401
Yugoslavia 4/	534	537	544
Total (15)	37,850	37,277	37,074
Total, 17 countries	40,782	39,949	41,287
Russia 4/	63,040	60,950	58,500

1/ Total acreage except as noted.
2/ Acreage for harvest.
3/ Winter acreage remaining for harvest plus intentions to plant spring rye.
4/ Winter acreage.
5/ Rye and maslin as estimated in the Belgrade Office of the Foreign Agricultural Service.

Crop Conditions

Canada - In Canada the spring season has been very backward and over most of the country is described as the latest since 1920. Less than 10 percent of the wheat acreage was seeded in the Prairie Provinces by the first of May, according to the official crop report issued May 9. In 1934, the spring season was rather cold and dry, whereas this year it has been cold and wet. In general, however, conditions this season are considered better than in 1934. Moisture conditions in Alberta are described as the best since 1928.

Central European countries

Germany - The first official estimate of German winter crop conditions, as of the beginning of April, indicated that crops came through the winter in generally favorable condition, despite cold spells experienced in January, February, and March. All winter crops are estimated at above average and better than a year ago. Conditions are apparently best in the western and southern sections of the country. During the month of April frequent rains were received, which helped restore subsoil moisture of which there has been a deficiency. Spring field work, however, has been considerably hampered by the frequent rainfall.

Poland - The first official report on winter crop conditions in Poland reflected considerable deterioration in winter cereals, compared with last fall, due to severe frost in January at a time when snowcover was lacking. Furthermore, a return of cold weather in March, following exceptionally warm days in the second half of February, was also unfavorable to the growing crops. Damage from insets and rust in the fall is now also apparent, particularly in the case of rye. As a result, the condition of winter crops this year is well below the conditions at this time during the last 5 years.

It is felt that good rains and warm weather during May will bring the winter crops through satisfactorily. Should rainfall not be fully normal and winds continue to prevail, a definite deterioration in many sections can be expected. With very favorable growing season, a crop about average to slightly above can be expected, otherwise average or less.

Czechoslovakia - Crops on the whole are reported as being well rooted and healthy in appearance even though early reports were concerned with the possibility of above-normal winter kill. It is still believed, however, that some loss of acreage has actually occurred since plowing under of crops has been reported.

Austria - According to the official April report, condition of winter crops is estimated to be considerably above the same time a year ago and also better than in 1933, when the crop report for the same date was very satisfactory. Condition of all crops is classified as "good", with winter rye slightly better than "good". A slight improvement over the previous month is reported in the same of both winter rye and winter wheat. The appearance of all crops is reported healthy everywhere, and the first warm days brought a noticeable improvement in many poorer spots.

Western Mediterranean countries

Italy - Early April frosts were reported to have caused damage to growing crops. Good rains were received in northern Italy about May 1, and light general rains a week later. However, conditions are generally dry and it is felt that yields will be affected. Spring sowings were completed in northern Italy by the end of March.

France - Crop prospects continue good, even though there has been recent cold weather and perhaps too plentiful moisture supplies. In the Vendee and neighboring departments of central-western France, acreage is higher, but this is more or less offset by a decreased use of fertilizers. In Alsace-Lorraine there is practically no winter-kill, which is in considerable contrast to last year, when it amounted to 20 percent in some localities, necessitating reseeding or planting to other crops.

Spain - During the latter half of March fine weather was experienced in central Spain, but during the first week of April persistent lack of rain was accompanied by cold and hail. It appears that moisture supplies have been received in southern Spain and that the crop is fairly promising in the North. In the main cereal regions of Castille the lack of moisture reached a very serious point, but recent rains have brought some relief. Whereas it appears that the crop will not be as large as that of last year, there is still a possibility that it may about equal domestic requirements.

Morocco - The generally favorable crop conditions of a month ago have completely changed. Late seedings have been damaged by hot winds and lack of rainfall in certain areas. If necessary moisture supplies are not received very shortly, yields may be 30 percent below normal. Some estimates place the present damage to bread wheat at 25 percent, durum wheat 30 percent, and barley 40 percent.

Algeria - Conditions are generally favorable in the central and eastern portions of Algeria. Moisture is still needed in the Department of Oran where a major portion of the bread wheat is grown. Inadequate rainfall in April and May will undoubtedly result in poor yields.

Tunisia - Conditions in North Tunisia have been somewhat unfavorable with those in the South fairly good but moisture needed. Cold rains and high drying winds in April were reported to have retarded growth along the northern coast.

Danube Basin countries

The condition of the growing crop is still very good. Abandonment to date is less than average in Bulgaria, Hungary, and Yugoslavia, and average in Rumania. By the middle of April, spring wheat seedings had been completed throughout the Danube Basin. After a warm period early in April, the temperature turned cool. Abundant rainfall was received which interfered with the germination of spring wheat and slightly delayed the growth of winter wheat. In Yugoslavia recent frosts are reported to have resulted in some damage to the growing crop.

The Soviet Union

Frequent statements have appeared in the Russian press concerning insufficient soil moisture. It was stressed that prevailing weather conditions necessitated harrowing in order to utilize the existing moisture. Winds and prolonged March frosts at a time when the soil over a large area was unprotected by snow had caused the early drying-up of the top soil. It is reported, however, that harrowing was not always done, probably due to the desire to get the sowings completed as early as possible.

Intermittent rains occurred during the whole of April, which considerably alleviated the moisture deficiency situation, especially in the southern section. Practically no rains, however, were received over a large part of the Volga area, which is especially subject to severe droughts, and the Ural area. The moisture situation was reported particularly unfavorable in the Trans-Volga and Trans-Ural sections, where high temperatures and winds caused a rapid drying up of the soil. This situation, however, was apparently relieved to some extent by precipitation received since April 20. Around April 25 a cold wave encompassed a large part of the Union and snow fell at a number of points in the eastern part.

No additional information on winter damage has been received during the month under review, but current local reports all indicate satisfactory development, and in some districts even favorable conditions. The frequent warm rains experienced in most southern regions during April were very favorable to plant growth, which apparently had previously been handicapped by a deficiency of moisture. Numerous reports state that rapid development of both winter and spring seedings occurred after the first warm showers.

The Sowing Campaign in the Soviet Union

The acreage sown to all spring crops in the Soviet Union up to April 25, exceeded by 34,000,000 acres the area sown on the same date last year and in 1930, when spring set in early and the sowing campaign developed more rapidly than in other years of the collectivization period of Russian agriculture. Last year sowings in the early stages of the campaign likewise exceeded those of 1930, but later the pace slowed-up and by April 25 practically the same area was seeded in both years. (See Table 3) It is significant, therefore, that the progress in sowings this season continued at a good rate as indicated by the figures of the April 25 official report, notwithstanding some adverse weather conditions. The importance of early sowing, particularly in the semi-arid regions of the Union, can hardly be exaggerated. There is a possibility, however, of slackening in the rate of sowing during the latter part of the season due to the reported slow progress of spring plowing, particularly in some of the eastern regions where the area plowed in the fall was also smaller than elsewhere.

Nearly 46 percent of the acreage specified by the sowing plan was seeded by April 25 compared with 30 percent on the same date a year ago. The fulfillment of the plan by the different types of farm units in Russian agriculture was as follows: Collective farms assisted by the machine-tractor stations 53.9 percent; all collective farms 50.7 percent; state farms growing industrial crops 51.6 percent; grain and livestock state

farms 48.6 percent; and individual peasant farmers, who are not getting any assistance from the Government, only 19.3 percent. More than three fourths of the acreage was seeded in the Stalingrad region (lower Volga) and the Azov-Black Sea region. The other lower Volga region, Saratov, lagged behind with 57.9 percent of the plan. All these regions which are heavy wheat-producing areas seeded larger acreages by April 25 than during a similar period a year ago. Ukraine alone among the southern regions seeded a smaller acreage than last year. The spread, however, between this and last season's seedings was decreasing. Moreover, some sections of Ukraine, such as the important Dnepropetrovsk district, exceeded the sowings of last year with the plan 90.6 percent completed by April 25.

Table 3.- Progress of sowings in 1935 compared with the previous years, 1930 - 1935

Date	1930	1931	1932	1933	1934	1935
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Apr. 5	18,406	2,194	3,380	9,461	25,988	22,827
10	28,024	2,842	5,162	16,870	33,121	35,595
15	40,270	4,211	8,298	25,607	42,301	55,049
20	54,325	8,201	15,921	34,226	53,149	77,402
25	68,442	16,793	24,695	46,136	68,427	102,853

United States Stocks and Prospective Supplies

The winter wheat May 1 conditions indicate a production of about 432,000,000 bushels, which together with average yields of spring wheat on the intended acreage would result in a total crop which would be ample to meet normal domestic requirements. If spring wheat acreage seeded is as indicated by farmers' intentions, and average yields are realized, a total crop of about 650,000,000 bushels may be realized as compared with normal domestic utilization of about 625,000,000. The actual outturn of the wheat crop will depend of course upon weather conditions during the rest of the growing season.

Studies made by the Bureau of Agricultural Economics of the effect of weather upon yield in the spring wheat area indicate that variations in June temperatures are most important in affecting yields, whereas April and May precipitation and July temperatures, respectively, are next in importance. Precipitation in the Spring Wheat Belt during April averaged about one third greater than normal, with Montana slightly better than normal, and South Dakota about two thirds greater than normal. Precipitation during the first half of May was abundant in North Dakota and continued above normal also in the other three spring wheat states.

Total wheat stocks in the United States on April 1, 1935 are estimated at 294,000,000 bushels compared with 402,024,000 a year ago and 526,143,000 in 1933. Allowing for probable utilization and imports during the remainder of the season, a carry-over of between 150,000,000 and 170,000,000 bushels is indicated for July 1, 1935, compared with normal year-end stocks of about 125,000,000 bushels. During the last 2 years our carry-over stocks which had mounted from 124,000,000 bushels in 1928 to 393,000,000 in 1933, have been reduced to near normal proportions.

Table 4.- Wheat stocks in the United States on April 1, 1931 to 1935

Item	1931	1932	1933	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Farm stocks	118,772	169,990	183,185	116,298	93,699
Commercial stocks	213,583	207,215	135,553	97,132	51,882
Interior mills and elevator stocks	72,253	69,366	95,911	87,293	68,920
Merchant mill stocks -					
For own account in mills and mill elevators attached to mills	60,038	78,565	89,262	86,938	64,777
For others	(12,000)	12,855	11,005	4,782	6,609
In transit ("in transit to and bought to arrive"): by merchant mills	8,702	9,210	11,228	9,581	8,162
Total stocks	485,348	547,201	526,143	402,024	294,049

The rye crop May 1 condition indicates a production of 40,356,000 bushels, compared with 18,040,000 bushels produced in 1931 and the 5-year (1928-1932) average of 38,855,000 bushels. Prospective production is the highest since 1932, when it was 40,039,000 bushels. Rye utilization may reasonably be expected to be between 30,000,000 and 35,000,000 bushels, assuming that feeding during the year will not be large. When prohibition was in force, and in years when feeding was not heavy, we ordinarily used about 25,000,000 bushels in the United States, whereas in years when feeding was heavy, we used about 35,000,000 bushels. As a result of a very small rye crop in 1933 we had net imports of about 12,000,000 bushels of rye. The 1934 crop was even smaller, amounting to only about 16,000,000 again necessitating imports in order to satisfy our domestic requirements. Table 30 among other things shows the production and year-end stocks of rye, together with indicated disappearance since 1915.

Wheat Prices

Wheat prices advanced during the second week in April due to strengthening of world prices, as indicated by Liverpool futures, and to poor crop prospects in the United States, as reflected in the Government

crop report issued April 10. Closing July futures at Chicago advanced from about 92 cents on April 6 to $1.02 on April 16. Similarly the United States farm price of wheat rose from 88 cents in mid-March to 90 cents in mid-April. However, beginning about April 22, prices gradually declined. Closing July futures at Chicago dropped to about 90-1/4 cents on May 21. No 2 Hard Winter at Kansas City dropped from an average of $1.07 for the week ended April 20 to $1.03 for the week ended May 18, and No. 2 Red Winter at St. Louis declined from an average of $1.00 for the week ended April 20 to 93 cents for the week ended May 18. This downward trend was largely influenced by reports of improvement in wheat prospects.

Table 5.- Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, March - May 1935

Week ended		Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Mar.	2	101.1	115.7	73.1	53.9	67.4	60.5	225	---	---
	9	97.8	113.4	72.8	53.1	67.2	58.5	228	140	227
	16	94.9	110.6	73.2	54.8	67.1	58.5	227	137	225
	23	95.8	111.1	74.2	57.4	70.8	58.5	225	132	226
	30	98.2	114.8	76.0	59.5	74.0	60.0	225	---	---
Apr.	6	98.0	114.8	77.8	62.6	77.9	61.4	226	129	228
	13	101.0	116.0	81.0	63.8	79.2	62.7	227	134	235
	20	107.2	119.4	81.4	63.6	80.1	62.8	227	139	244
	27	105.3	121.1	80.5	63.0	78.5	65.8	227	138	244
May	4	103.5	120.4	80.0	62.6	77.2	68.0			
	11	103.0	119.3	79.0	62.2	77.4				
	18	102.5	118.5	78.4	62.1	76.8				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

Table 6.- Wheat: Closing prices of July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	90	101	82	101	90	111	73	90	70	84	4/54	4/65
Low 3/	75	91	67	87	72	99	66	84	66	79	4/53	4/62
Apr. 13	85	100	77	98	82	107	67	90	69	84	4/54	4/65
20	77	101	69	100	75	108	67	90	68	83	4/54	4/64
27	78	99	71	98	77	110	67	89	67	82	4/54	4/63
May 4	80	96	72	95	80	108	67	89	67	81	4/53	4/63
11	86	94	78	94	86	108	70	89	69	81	4/54	4/63
18	89	91	82	91	90	106	71	87	68	80	4/54	4/62

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ April 1 to date.
4/ June futures.

Table 7.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N. Spring Minneapolis		No.2 Hard 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	93	115	83	107	94	121	116	138	87	100	77	88
Low 3/	79	107	70	98	80	115	87	130	73	93	69	84
Apr. 13	85	113	80	101	88	116	99	138	85	96	75	86
20	78	115	73	107	81	119	87	136	78	100	69	83
27	79	113	70	105	81	121	96	130	73	98	70	86
May 4	83	112	74	103	84	120	101	130	76	98	72	86
11	93	111	83	103	92	119	116	123	84	95	77	85
18	93	109	82	103	94	118	106	117	86	93	76	

1/ Amber Durum 1934.
2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
3/ April 1 to date.

World Trade and Surpluses

World shipments in April averaged 9,656,000 bushels per week, which was 858,000 per week more than for April 1934. The average this year for January through March was 10,057,000 bushels or 743,000 bushels less than for the same period a year ago. During the first half of May they averaged 10,200,000 bushels compared with 10,005,000 bushels for the same period a year earlier.

The surplus of wheat available for export or carry-over in the principal exporting countries, as of May 1, appears to be 563,000,000 bushels this year compared with 784,000,000 bushels last year and 832,000,000 bushels in 1933. Adding figures for United Kingdom port stocks and quantities afloat gives 606,000,000 bushels as a total for May 1 this year, compared with 829,000,000 last year and 885,000,000 in 1933.

If shipments from North America, Australia, and Argentina average about the same as last year for May and June, the July 1 surplus for export and carry-over, including United Kingdom port stocks and afloat, will be somewhat more than 520,000,000 bushels. However, if shipments for April and the first half of May, when they have been averaging about 575,000 bushels per week more than last year, are any indication of what may be expected during the remainder of the season, the figure for July 1 may be somewhat less than 520,000,000 bushels. Political and economic uncertainties in European countries and Canada's uncertain price policy, however, continue to be important factors which will influence the movement for the rest of the season. Exports of wheat from principal countries are shown in Table 13 to 17 , and figures for net imports into European countries are shown in Table 18 .

Table 8.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, May 1, 1932 - 1935

Position	May 1			
	1932	1933	1934	1935 prel.
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	404	398	294	1/ 160
Canadian wheat	5	2	2	12
Canada:				
Domestic wheat	187	265	254	231
United States wheat	27	5	2	1
Argentina	57	90	137	91
Australia	76	72	95	68
Total	756	832	784	563
United Kingdom port stocks:				
Wheat	11	11	13	(11)
Flour (as wheat)	1	1	1	
Afloat for United Kingdom	15	17	11	
Afloat for Continent	23	13	10	(32)
Afloat for orders	17	11	10	
Total	67	53	45	43
Grand total	823	885	829	606

1/ Estimated

New Government and other Organizational Measures

Germany

More definite evidence of a rather abundant bread grain supply for the remainder of the current season has led to the adoption of several measures having to do with the German grain policy. Thus an announcement of the Reich Office for Grain of March 27 authorized the regional grain associations to permit producers to feed, or sell for feeding purposes, domestic rye and wheat, provided that such producers have fulfilled their delivery obligations. This permission requires the consent of the Central Union of the German Grain Trade and is contrary to previous regulations. In individual cases the regional grain associations are likewise authorized to permit the reselling of rye and wheat for feeding purposes which had been previously purchased for human consumption or industrial purposes.

Still more important than this regulation is an ordinance of the Minister of Agriculture of April 3, 1935. In its first article it changes the ordinance regarding the cartellization of rye and wheat flour mills. It is now necessary for each flour mill with a basic milling contingent of rye and wheat together of more than 827 short tons annually to continue to keep stocks of rye to April 30, 1935 corresponding to at least twice its monthly milling contingent. For May 1935, however, only 1 monthly milling contingent is required, and beginning with June 1, 1935, and until cancelled, the regulations require a minimum stock of only half a monthly milling contingent. The new storing obligations for wheat are similar and provide that up to April 30, 1935, a minimum of double the monthly milling contingent must be kept in stock, but beginning with May 1, 1935, only a minimum of 1 monthly milling contingent must be kept.

Rumania

Wheat and rye flour produced by commercial mills in Rumania has now been subjected to a new tax of about 14 cents per 100 pounds. This tax is named "tax of the national defense". In addition to this new contribution, flour is subject to the following consumption taxes: turnover tax of 2.4 percent, "proportional tax" of 1.4 percent, and "stamp tax" of 0.2 percent. The total of all taxes now represents 13.6 cents per 100 pounds compared with the present flour price of $2.96 per 100 pounds.

Bread Grain Production and Trade in Poland and Finland 1/

Poland and Finland are two of the north European rye-producing countries which in recent years have increased wheat production. Poland, with a population about 20 times that of Finland, now has only a slight deficiency in wheat. In Finland, wheat production has been increased to a much greater degree than in Poland. The Finnish bread grain deficiency, however, remains relatively large despite the small population and the increased production of both wheat and rye in recent years.

1/ Condensed from an article by J. H. Shollenberger in Foreign Crops and Markets, for April 8, 1935.

Poland.

Poland has a population of more than 33,000,000 people and is 149,042 square miles in area, or slightly larger than the State of Montana. Rye, the production of which is over three times as large as that of wheat, is the grain principally used in the making of the common bread consumed in Poland. Among city people rye bread of the ordinary gray type is the bread of common consumption, while among the peasant class the common bread is of the coarse black type made from whole rye meal. Some wheat bread and some mixed wheat and rye bread are consumed, but these breads are ordinarily considered luxury products which only the upper classes can afford.

During the pre-war period, 1909-1913, wheat production in Poland (of present-day boundaries) averaged 61,665,000 bushels and rye production 224,836,000 bushels. (See Tables 9 & 10). For a number of years after the World War, production of these grains was considerably below that of the pre-war period, but in more recent years it has averaged slightly above.

Production of rye has been fully ample for domestic requirements, generally with some to spare for export; but, in the case of wheat, production has usually been slightly deficient as regards quantity and considerably deficient in quality.

Owing to the fact that Poland did not exist as an independent nation in the years immediately preceding the World War, no import and export statistics are available for the pre-war period. The statistics, therefore, which can be presented are for the post-war period. For the 1924-1928 period, total annual imports of wheat and wheat flour (in terms of wheat) averaged 7,554,000 bushels, (see Table 10) whereas during the 1929-1933 period they averaged only 626,000 bushels. On the other hand, total annual exports of wheat and flour during these periods averaged 1,253,000 and 2,656,000 bushels, respectively. In other words, Poland in recent years has shifted from a net importer of wheat to a net exporter. As regards rye, net exports of that grain during the period 1924-1928 averaged slightly more than 1,000,000 bushels annually but during the next 5-year period they averaged in excess of 14,000,000 bushels annually, a very substantial increase.

Ninety percent or more of the wheat produced in Poland is winter grown. Spring wheat is grown usually only to replace winter-killed fall-sown wheat or to complete the wheat-seeding program begun in the fall.

Some of the winter wheats produced are of red color, but most of them are white. The white winter wheats predominate in the western, central, and northern portions of the country and red winter wheats in the southern and southeastern portions. The white wheats are of the long-kernel type with milling and baking properties about equal to United States soft white wheats. The red winter wheats range in hardness from soft to semi-hard. In quality they range from weak to medium strong.

The spring wheats produced are of the common species and mostly red in color, with quality characteristics about the same as the United States Red Spring grade of wheat. Only a very insignificant quantity of wheat of the durum species is produced in Poland.

It has been mentioned that wheat production in Poland is nearly equal to domestic requirements. This is true from a quantitative standpoint, but not from a qualitative standpoint. The domestic wheats are too weak in quality for the production of the luxury type of baked goods consumed in Poland. To provide flour of suitable quality for this purpose some foreign wheat or flour of good quality must be imported. If the imported wheat or flour is to be used by itself, United States wheat or flour of the ordinary hard winter export type is satisfactory, but if it is to be mixed with domestic wheat or flour, only importations of the highest quality are suitable. Thus in times like the present when foreign trade in wheat and flour is much hampered by heavy duties and other drastic restrictions, imports are held to a minimum, which means that wheats of only high quality are wanted. If import restrictions were to ease up in all parts of the world so that Poland could dispose of some of her weak wheats in other countries, she in turn would import more foreign wheat and flour. Moreover, the quality demanded would not have to be so high.

Table 2.- Rye: Acreage, production, yield, trade, and amount available for consumption in Poland, averages 1909-1913, 1924-1933, annual 1929-1934

Year	Acreage	Production	Yield per acre	Imports 1/	Exports 1/	Available for consumption 2/ Total	Available for consumption 2/ Per capita
	1,000 acres	1,000 bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:							
1909-1913	12,570	324,838	17.9	---	---		---
1924-1928	13,719	217,915	15.3	2,963	4,111	216,767	7.3
1929-1933	14,276	258,660	18.1	313	14,318	244,575	7.7
Annual:							
1929	14,328	275,959	19.3	34	14,150		
1930	14,568	273,928	18.8	10	15,743		
1931	14,263	224,500	15.7	226	4,889		
1932	13,951	240,556	17.2	386	12,985		
1933	14,271	278,460	19.5	411	23,824		
1934	14,014	254,434	18.2				

Foreign Agricultural Service Division. Trade figures are from the records of the Division of Statistical and Historical Research and the International Institute of Agriculture.

1/ Year beginning July 1, with the exception of 1924, figures for which are on a calendar year basis.

2/ Stocks at the beginning and end of period disregarded.

Table 10.-Wheat: Acreage, production, yield, trade, and amount available for consumption in Poland, averages 1909-1913, 1924-1933, annual 1929-1934

Year	Acreage			Production			Yield per acre
	Winter	Spring	Total	Winter	Spring	Total	
	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:							
1909-1913	-	-	3,343	-	-	61,665	18.4
1924-1928	-	-	3,230	-	-	54,826	17.0
1929-1933	3,763	345	4,108	66,281	5,870	72,152	17.6
Annual:							
1929	3,335	191	3,526	62,546	3,315	65,861	18.7
1930	3,714	352	4,066	75,723	6,599	82,322	20.2
1931	4,137	358	4,495	77,010	6,210	83,220	18.5
1932	3,886	380	4,265	44,215	5,257	49,472	11.6
1933	3,741	446	4,187	71,913	7,970	79,883	19.1
1934	3,776	609	4,385			76,426	17.4

Year	Imports 1/		Exports 1/		Available for consumption 2/	
	Wheat	Flour 3/	Wheat	Flour 3/	Total	Per capita
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average:						
1909-1913	-	-	-	-	-	-
1924-1928	4,184	3,370	1,149	104	61,127	2.1
1929-1933	595	51	1,834	822	70,122	2.2
Annual:						
1929	518	34	442	348		
1930	228	56	2,907	1,379		
1931	571	14	2,573	1,189		
1932	811	4/	1,531	561		
1933	846	-	1,715	654		

Foreign Agricultural Service Division. Trade figures are from the records of the Division of Statistical and Historical Research and the International Institute of Agriculture.

1/ Year beginning July 1, except 1909-1913, which began August 1.
2/ Stocks at the beginning and end of period disregarded.
3/ Converted to grain on basis of 4.5 bushels of grain per barrel of flour.
4/ Less than 500 bushels.

Ever since the war, the policy of the Polish Government in regard to agriculture has been distinctly protectionist. On November 4, 1919, a temporary customs tariff was enacted into law and became effective in January 1920. A second customs tariff law was enacted on June 26, 1924, which remains as the basic tariff law of Poland. The agricultural items placed on the dutiable list by these acts included wheat and flour. Since the passage of the first tariff act in 1919, duties on wheat and flour have been changed frequently. The change has usually been upward.

A decree of December 29, 1931, effective January 1, 1932, announced that the existing world economic crisis had forced the Polish Government to safeguard the vital interests of the country by imposing "temporary but absolute prohibitions" on the importation of certain goods or commodities, including cereals, flour, meals, and macaroni. This decree also announced that permits would have to be secured for the importation of any article into Poland but that the absolute prohibition of the commodities referred to above would remain effective until conditions enabled the Government to establish import contingents for these commodities.

Since early in 1929 Poland has maintained a system of import certificates which provides for the issuance of "negotiable customs receipts" on the exports of certain commodities, including grain and flour. Because of the value placed on these receipts in connection with imports, they in reality constituted an export bounty.

For a number of years the Polish Government has made purchases of domestic grain in order to control grain prices in favor of farmers. The Government was not only concerned with maintaining prices for domestic producers but also with insuring sufficient supplies for the home market. This policy eventually resulted in increasing production to such an extent that a large export surplus developed for rye. To correct this situation, the Government subsidized exportation of rye. This policy had such disastrous effects on the world price for rye that an agreement was negotiated with Germany, Poland's chief rye competitor, for the establishment of a joint marketing organization to eliminate competition between the two countries for the European market.

Finland

Finland has a population of approximately 3,750,000 and an area of 149,586 square miles. Although about two thirds of the population live by agriculture, Finland falls far short of being self-sustaining in the production of cereal grains. Rye is the grain principally produced in the country and is also the grain principally used in bread making. The use of wheat as human food is chiefly for general home baking purposes, cake baking, and luxury types of bread. In addition to rye and wheat, another cereal of considerable importance as a human food in Finland is oats. Consumption of this cereal is in the form of oatmeal.

During the period 1929-1933, annual production of wheat averaged 1,339,000 bushels and rye 12,737,000 bushels, whereas the apparent annual consumption of these grains during this period averaged 5,955,000 and 16,071,000 bushels, respectively. (See Table 11) In other words, wheat production during that period was sufficient to cover only 22.5 percent of the domestic requirements and rye production only 79.3 percent.

Compared with production in the pre-war period, 1909-1913, average annual production in 1929-1933 represents an 877.4 percent increase for wheat and a 21.4 percent increase for rye. Wheat production in 1934 amounted to 2,612,000 bushels and rye production to 15,542,000 bushels, which figures compared with production in the pre-war period, 1909-1913, represent, in the case of wheat a 1806.6 percent increase and in the case of rye a 48.1 percent increase.

Annual imports into Finland of wheat and wheat flour (converted into grain) during the 5-year period 1924-1928 totaled approximately 5,000,000 bushels, nearly 100 percent of which was in the form of flour. During the period 1929-1933 annual imports of wheat and flour had dropped to 4,600,000 bushels, about three fourths of which was in the form of flour. Annual imports of rye for these periods amounted to 6,153,000 and 3,338,000 bushels, respectively. No wheat and only a small quantity of rye is exported from Finland.

Owing to the unsatisfactory agricultural situation caused by the recent world economic depression, Finland, like other European countries, found it necessary to take active measures to give assistance to her farmers. The measures affecting cereals included import tariffs and milling and mixing regulations. Fairly high tariffs have been maintained on cereal grains for a number of years, but marked increases were made beginning in 1930. In order to protect and encourage the domestic milling industry, higher duties were placed on flour imports than on wheat. The milling and mixing regulations imposed on the milling industry applied to rye and oats, but not to wheat. These regulations fixed the proportion of domestic rye to be used in milling rye flour, the proportion of domestic oats to be used in the manufacture of oatmeal, and the proportion of domestic rye flour to be mixed with imported rye flour. Approximately one half of the production of wheat in Finland is of spring habit.

At the time when Finland obtained her independence from Russia, (1917) her milling industry was very much behind the times and the greater part of the imports of wheat and rye necessary to make up their deficit was in the form of flour rather than grain. The domestic mills were chiefly of the stone-buhr type and ground principally rye flour for the rural population. There were a few modern mills in the cities, but these were able to supply only a small portion of the population. In recent years, however, an effort has been made to interest capital in the erection of more mills of the modern roller type. These efforts have met with some success and, as a consequence, the proportion of flour to grain imported has decreased and it is quite possible that in the near future the milling capacity of the country will be ample to supply all the flour needed.

Wheat imports, which in past years have been of no significance were chiefly of the soft type of German origin. On the other hand, wheat flour imports, which have been of much greater importance than wheat, were mainly hard wheat flours. With the import trend toward wheat rather than flour, it is likely that in future years this too will be mainly of the hard type. A considerable proportion of the flour imported in past years represented durum wheat semolina. The major portion of this semolina is used for making pastries and puddings and only a small portion for bread making. Up until the crop year 1932-33 the United States supplied the greater part of the import requirements for flour, but since then flour imports from the United States have fallen to less than one tenth their former amount.

Table 11.-Wheat and rye: Acreage, production, yield, trade, and apparent consumption in Finland, averages 1909-1913, 1924-1933, annual 1929-1934

Year	Acreage	Production	Yield per acre	Imports 1/ Wheat	Imports 1/ Flour 3/	Available for consumption 2/ Total	Available for consumption 2/ Per capita
	1,000 acres	1,000 bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
WHEAT							
Average:							
1909-1913 ..	8	137	17.1	4/ 4,912		5,049	1.6
1924-1928 ..	41	941	23.0	14	5,095	6,050	1.7
1929-1933 ..	53	1,339	25.3	804	3,812	5,955	1.6
Annual:							
1929	34	765	22.5	9	5,614		
1930	35	866	24.7	130	4,748		
1931	45	1,121	24.9	642	3,555		
1932	59	1,483	25.1	1,466	2,680		
1933	91	2,460	27.0	1,771	2,461		
1934	104	2,612	25.1	---	---		
	Acreage	Production	Yield per acre	Imports 5/	Exports 5/	Available for consumption 2/ Total	Available for consumption 2/ Per capita
	1,000 acres	1,000 bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
RYE							
Average:							
1909-1913 ..	589	10,490	17.8				
1924-1928 ..	565	12,148	21.5	6,153	10	18,291	5.1
1929-1933 ..	532	12,737	23.9	3,338	4	16,071	4.3
Annual:							
1929	503	10,433	20.7	6,509	9		
1930	515	13,244	25.7	3,136	5		
1931	528	12,411	23.5	2,081	4		
1932	538	12,966	24.1	2,647	1		
1933	575	14,633	25.4	2,316	6/		
1934	605	15,542	25.7				

Foreign Agricultural Service Division. Trade figures are from the records of the Division of Statistical and Historical Research and the International Institute of Agriculture.

1/ Year beginning July 1, except for 1909-1913, which are calendar years.
2/ Stocks at beginning and end of period disregarded.
3/ Flour converted to grain on the basis of 4.5 bushels per barrel.
4/ Includes flour.
5/ Year beginning July 1; flour included, converted on basis of 6 bushels of grain per barrel of flour.
6/ Less than 500 bushels.

The Continental European Wheat Market Situation during April 1/

European wheat markets reported a generally fair volume of business during April although hand-to-mouth buying still prevailed in Germany and Czechoslovakia. A good demand for overseas wheat was reported from Belgium and Holland as well as Austria. Somewhat improved market conditions were experienced in Poland, despite the cessation of government market-supporting activity since March, and a firmer tendency developed in the Baltic countries, owing to unfavorable reports on the growing crops. Similar tendencies were also observed in the Scandinavian countries, where offerings by farmers proved small, apparently because of the gradual depletion of rather large stocks.

These developments were clearly reflected in the movement of prices in markets where anything like free prices still exist. Wheat and rye advanced in Poland and in the Scandinavian countries. In Austria actual transactions in wheat were at firmer levels. Generally rising wheat prices also developed in France and Italy from deterioration in the crop outlook in both countries, though French prices also reflected sales to Italy and the probability that Italy will still have to cover a considerable import deficit before the new harvest. This probability has been virtually confirmed in a recent announcement which permits the milling of foreign wheat in Italy without restriction.

Germany

The German wheat and rye markets during April were again characterized by relatively abundant supplies and continued quietness in the movement of grain from producers into consumptive channels. The situation now seems sufficiently clarified to permit the definite statement that bread grain supplies will amply cover needs to the end of the season and even leave an appreciable carry-over, which, of course, is expected to be much less than last year. Relative abundance of supplies is indicated by the following factors: Bread grains are permitted to be used for feeding purposes; the requirement that flour mills carry a certain stock of bread grains has been further loosened; the production of a new type of rye flour involving a lower percentage of extraction has been permitted. Undoubtedly, favorable crop prospects and the scarcity of foreign exchange for feed imports have also been factors in the loosening of restrictions on the use of bread grains.

The distribution of German wheat imports by countries of origin is of interest, because of the large influence evidenced by the pressure of currency clearing and other agreements to support Germany's foreign trade balance. For the period January through March 1935, imports of wheat into Germany amounted to 2,605,000 bushels of which 742,000 bushels came from Turkey, 588,000 bushels from France, 419,000 bushels from Yugoslavia, and only 305,000 bushels from Canada and 154,000 bushels from Argentina. On the other hand, the largest share of the world's total wheat exports to Europe so far this season were supplied by Argentina, followed by Canada,

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1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attache, Berlin, May 2, L. D. Mallory, Assistant Agricultural Attache, Paris, April 12, and Louis G. Michael, Agricultural Attache, Belgrade, April 18, 1935. All price quotations have been converted at current rates of exchange.

with countries like Turkey, because of negligible total importance, not even mentioned separately in the statistics. It is believed that the period January through March is fairly typical for the whole season to date, and it is significant that it covers the period of most active grain exports following the new harvest in the Southern Hemisphere.

Italy

Prices for domestic bread wheat at Milan remained unchanged, the tone of the market being calm with a firm tendency. With supplies less than normal, and requirements and imports subject to special regulation, the market will likely remain strong for the balance of the season unless a change of policy occurs as a result of present disturbed political relations in Europe. Some importations are being made mainly by agreement between governments. The remaining small supplies of durum are being firmly held in southern Italy. It is reported that alimentary paste manufacturers in the South and in Sicily are feeling rather keenly the need of their usual supply of Canadian durum to improve the gluten content of their pastes.

France

Prices of domestic wheat in France continue at about the same level, with a tendency recently to strengthen. 1/

In appraising the present wheat situation in France it may be reasoned that the low level of prices are discouraging any further stimulation or maintenance of production. However, it is not at all certain that prices are considerably lower than ordinarily calculated previous to the abandonment of the fixed prices in December. A superficial study of the situation indicates that while prices in general have declined somewhat and while a certain psychological support previously engendered by the fixed price law is now lacking, they are probably not yet low enough to cause any very considerable restriction of wheat growing, unless returns for alternative enterprises improve.

Exports of wheat, including flour, from August to the end of February totaled 28,142,000 bushels and imports 19,318,000 bushels, as shown in Table 12. The figures in the table on exports of flour and semolina reflect a considerable milling in bond trade.

1/ Prices reported by different sources are as follows: The trade publication "Le Bulletin des Halles et des Marches" of March 9 states that prices are $1.27 to $1.33 per bushels, f.o.b. origin, with some local markets going as high as $1.42. At the same time, the organizations of producers, such as the General Association of Wheat Producers, maintain that prices to the farmers are from $1.08 to $1.17. A review by a large brokerage house gives prices for the same day as $1.33 to $1.35, delivered at Paris.

Table 12.-France: Imports and exports of wheat, flour and semolina, August 1934 - February 1935

Item	Imports	Exports
	1,000 bushels	1,000 bushels
Bread wheat	10,719	19,558
Durum wheat	5,304	1/
Flour 2/	2,004	6,870
Semolina 2/	1,291	1,714
Total	19,318	28,142

1/ Less than 500 bushels.
2/ In terms of wheat.

Belgium and Netherlands

A good volume of business in overseas wheat was reported from Belgium and Holland during the month of April. Business was also active in the Dutch market in American and Canadian wheat flour. Prices in the Rotterdam futures market, in general agreement with overseas tendencies, tended upward during the first half of April but declined in the latter part of the month.

Czechoslovakia

There appears to be a relatively abundant supply of wheat in Czechoslovakia for the remainder of the current season. It is expected that very little, if any, foreign wheat will have to be purchased between now and July. Accordingly, it appears reasonable to cut in half the Bureau's March estimate of net imports which were given at about 7,000,000 bushels. The Grain Monopoly stocks of all grains at the end of March amounted to 635,000 short tons as compared with stocks of only 613,000 short tons at the end of February.

Trading in the Czechoslovakian markets during the month of April in the case of wheat was very quiet but somewhat active for rye. Flour mill operations were interrupted for 2 weeks during the first half of the month as a public demonstration to emphasize dissatisfaction on the part of the flour mill industry and as a method of reducing flour stocks. Mills claimed that the price spreads between fixed monopoly grain prices and flour prices were inadequate to cover their current expenses and desired that flour be included in the monopoly regulations, thereby assuring them of a definite margin. The interruption is said to have greatly handicapped the movement of the bread grain business. On the other hand, mills were dissatisfied with the relatively small reduction in their total stocks of flour.

Austria

Business was quiet on the Austrian wheat and rye market during the month of April, although a fair volume of current transactions was reported both before and after the Easter holidays. The Austrian Government has decided to grant import licenses for the importation of another 367,000 bushels of Argentine wheat and to reduce the autonomous tariff from $1.50 to $.84 per bushel (previously $.94) for the importation of this quantity. Negotiations with Rumania regarding the acquisition of 588,000 bushels of

Rumanian wheat by Austria have not yet been brought to a conclusion. Prices of wheat on the Viennese exchange were approximately unchanged from last month.

Denmark

Prices of wheat and rye as well as other grains advanced during the month of April. In the second half of the month quotations for wheat were $.66 to $.69 cents per bushel. Danish interest in French feed wheat continued, but not much of such wheat was offered since the French Government has not issued new export permits. On the other hand, Swedish wheat was purchased in considerable volume and prices demanded by Swedish exporters were competitive with prices for French feed wheat.

Sweden

The Swedish market during the month of April was characterized by rising prices and a satisfactory volume of sales of wheat and rye. The possibility of exporting some wheat and rye to Denmark, Belgium and Holland and also to China, which country continues to show interest in Swedish wheat, has contributed much to the improvement in the Swedish grain market. The market was further strengthened by the fact that farm offerings were small, making necessary the covering of requirements by domestic flour mills, largely from old stocks. Wheat from old stocks was offered by the State Grain Office at $1.19 per bushel and rye at $1.05 per bushel. Farmers were reluctant to sell wheat and rye because of reduced farm supplies and because they expected higher prices beginning June 1, i.e., $1.29 per bushel for wheat and $1.08 per bushel for rye. Market prices of wheat in the second half of April ranged from $16.75 to $17.25 and rye from $1.00 to $1.03 per bushel.

Poland

The rather depressed and inactive grain market of March and early April, resulting largely from the discontinuance of market intervention purchases by the State Grain Office, gave way to a somewhat improved tendency during the second half of April. Prices for both wheat and rye during the second half of the month showed a slightly rising trend. A reduction, especially in rye offerings as compared with March, contributed to the improvement in market sentiment. Offerings were reduced because of several reasons, which tend to characterize the present Polish grain market situation. It appears that farmers have come to respond quickly to the state intervention purchases by selling when the Grain Office buys and by holding if possible when it does not buy. Farmers are busy with their spring work and do not have time to deliver much grain. Farmers are hesitant to sell too much grain as long as there is the possibility of a late harvest this year. It is quite generally believed that present supplies of grain from the 1934 crop are not abundant and that exports during the remainder of the season will be very limited unless prices should improve considerably. There appears to be a very marked elasticity of domestic demand with regard to rye. Last year's large and very cheap potato crop in Poland was directly substituted for rye for domestic purposes, thereby freeing a much larger quantity of rye than would normally have been the case.

Latvia

Latvia still has about 2,000,000 bushels of rye to market, but further exports appear to have been postponed, it is claimed, because the Government expects higher prices. The export activity in other grains was very moderate, with 73,000 bushels of wheat sold to Belgium and some barley to Denmark.

According to newspaper reports, purchases of bread grains by the State Grain Office from the 1934 crop have been terminated. These amount to a total of about 210,000 short tons, of which about 4,000,000 bushels are rye and slightly more than 3,000,000 bushels wheat. Of the total quantity of bread grain purchased by the State Grain Office, about 94,000 short tons were sold abroad and only about 31,000 short tons have been placed on the domestic market.

Estonia

Estonia was also reluctant to make export sales and, as a reason for this attitude, mention is made about the uncertainty of crop prospects. Previous arrangements with Finland provided for the exportation of about 2,000,000 bushels of rye to Finland, but it is now reported that this obligation was cancelled by mutual agreement.

Danube Basin countries

As a result of the improvement of country roads and the partial completion of pressing field work, deliveries during the first half of April became larger, causing prices to weaken somewhat. In Hungary, the discontinuance of official minimum prices, combined with the existence of exportable surpluses, also contributed to depress prices. The Government abolished its official minimum prices on April 10. This date coincided with the completion of deliveries to Austria and Italy on the basis of the Rome agreement. However, quotations for wheat are still in excess of the former minimum prices.

Prices per bushel at designated markets for the week ended April 13, compared with the March average, were as follows (corresponding figures for the year earlier in parenthesis): Sofia $1.25 ($1.23) for April 13, compared with the same figure for the March average of $1.25 ($1.23); Budapest $.95 ($.82½) compared with the March average of $1.00 ($.80); and Novi Sad $.72 ($.67) compared with the March average of $ .75 ($.65).

About 14,000,000 bushels of wheat and wheat flour in terms of wheat were exported from the Danube Basin between July 1, 1934 and April 30, 1935. This leaves an unexported statistical balance of about 15,000,000 bushels. It now appears probable that a large part of the balance will be carried over on June 30, partly on account of Argentinian competition and partly because of high prices demanded for good quality Hungarian wheat; the poor grades available in large quantities in Rumania are not wanted. Moreover, even though a protected market was reserved this year for Yugoslavian wheat in Czechoslovakia, the sale of wheat to Czechoslovakia has been limited, due to the accumulation of stocks in the latter country.

Table 13.-Wheat: Imports into the United States for domestic utilization and for grinding in bond and export, 1923-24 to 1934-35

Crop year	Full duty wheat (Tariff 42 cents)	Wheat unfit for human consumption 1/ (Tariff of 10% ad. val.)	Total imports for domestic utilization (Total of first 2 columns)	For grinding in bond and export 2/
	Bushels	Bushels	Bushels	Bushels
1923-24	13,783,423	---	13,783,423	13,904,837
1924-25	272,548	---	272,548	5,813,353
1925-26	1,664,843	---	1,664,843	13,421,480
1926-27	48,808	---	48,808	13,171,683
1927-28	161,297	---	161,297	15,043,679
1928-29	79,136	---	79,136	22,480,962
1929-30	44,607	---	44,607	12,903,364
1930-31	40,756	307,336	348,092	19,013,090
1931-32	6,057	---	6,057	12,878,851
1932-33	5,767	1,354	7,121	9,372,151
1933-34	143,656	5,729	149,385	11,341,052
1934-35 .... (July-Mar.)	5,395,455	5,573,063	10,968,418	8,086,367

Division of Statistical and Historical Research. Imports for consumption from United States Tariff Commission, July 1923 to December 1933, and from Bureau of Foreign and Domestic Commerce, January 1934 to date.

1/ Beginning June 18, 1930, a new classification, "wheat unfit for human consumption", was introduced by the 1930 Tariff Act.
2/ Includes wheat for grinding in bond for export, which enters duty free. Beginning June 18, 1930, includes wheat ground into flour in bond for export to Cuba, a new classification in the 1930 Act. The duty on this wheat equals the reduction in Cuban duty applicable by treaty to such flour imported into Cuba.

Table 14.-United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35 1/

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29-Sept. 1	19	2,158	228	280	1,091	3,474
Sept.2-Sept. 29	133	108	152	221	847	1,147
Sept.30-Oct. 27	13	58	121	190	581	952
Oct.28-Dec. 1	932	147	165	217	1,707	1,167
Dec. 2-Dec. 29	3,393	30	198	185	4,323	899
Dec.30-Feb. 2	2,915	16	266	137	4,165	660
Feb. 3-Mar. 2	3,295	4	202	119	4,244	563
Mar. 3-Mar. 30	2,257	8	163	107	3,022	511
Week ended-						
Apr. 6	1,245	0	42	39	1,442	183
13	1,861	12	56	35	2,124	176
20	452	0	53	27	701	127
27	812	0	50	26	1,047	122
May 4	747	0	79	24	1,118	113
11	421	19	17	39	501	202
18	532	0	37	37	706	174

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 15.-Wheat, including flour: Exports from the principal exporting countries, August 1934-March 1935

Year and month	United States	Canada	Argentina	Australia	Danubian countries: Bulgaria	Hungary	Rumania 1/	Yugoslavia 1/	Total	Russia	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1934-35											
Aug.	3,845	16,564	18,964	1/ 8,422	4	886	0	212	1,102	1,020	49,917
Sept.	2,190	19,250	15,781	1/ 7,197	0	897	0	738	1,635	470	46,523
Oct.	1,923	23,993	14,037	1/ 10,273	0	908	0	924	1,832	722	52,780
Nov.	1,936	21,039	14,432	1/ 7,726	0	1,429	0	689	2,118	508	47,759
Dec.	1,511	18,870	10,954	1/ 8,510	0	1,238	0	545	1,783	206	41,834
Jan.	1,257	6,938	17,828	1/ 12,326	0	823	0	66	889	2/ 0	39,238
Feb.	1,300	8,600	17,586	2/ 10,192	0	948	0	7	955	2/ 0	38,633
Mar.	1,502	11,145	17,777	2/ 11,384	0	1,492	0	3/ 367	1,859	2/ 0	43,667
Total ...	15,464	126,399	127,359	76,030	4	8,621	0	3,548	12,173	2,926	360,351

Compiled from official sources except as otherwise noted.

1/ International Institute of Agriculture.
2/ Broomhall's Corn Trade News.
3/ Rough estimate.

Table 16.-Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1934-35

Country	Exports as given by official sources: Total 1931-32	Total 1932-33	Total 1933-34	July 1 to date shown 1932-33	July 1 to date shown 1933-34	July 1 to date shown 1934-35	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	36,229	27,378	17,632	Mar. 31
Canada	199,563	267,342	198,555	218,371	151,852	141,215	" "
Argentina	144,920	120,272	144,849	91,970	114,494	158,606	Apr. 30
Australia	155,451	148,552	86,509	68,679	51,766	62,102	Jan. 31
Russia	71,829	19,676	33,787	17,398	26,803	3,406	Dec. 31
Hungary	18,064	7,010	29,615	3,947	15,969	5,580	Dec. 31
Yugoslavia	15,369	1,162	839	1,130	430	3,390	Jan. 31
Rumania	37,481	179	248	11	238	0	" "
Bulgaria	11,795	3,144	4,769	2,181	2,879	7	Dec. 31
British India(L&S)	3,870	2,169	1/1,980	1,342	1,274	1,496	Jan. 31
Total	794,139	610,717	538,153				

	Shipments as given by trade sources: Total 1932-33	Total 1933-34	Week ended - 1935 May 4	May 11	May 18	July 1-May 18 1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	2,560	3,246	4,177	197,928	152,047
Canada, 4 markets 3/	289,257	194,213	2,697	1,997		155,754	
United States	41,211	37,002	113	202	174	35,186	18,727
Argentina	115,412	140,128	2,815	5,604	3,549	118,636	167,240
Australia	153,400	90,736	2,187	1,767	1,526	79,804	99,924
Russia 4/	17,408	26,656	0	0	0	26,656	1,696
Danube and Bulgaria 4/	1,704	15,872	0	472	184	14,896	1,288
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	588,597	495,988				437,920	422,507
Total European shipments 2/	448,672	401,560	6,312			7/ 337,008	7/ 322,600
Total ex-European shipments 2/	164,256	123,352	2,680			7/ 107,448	7/ 122,552

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To May 4.

Table 17.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
July 1-July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept.2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct.27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct.28 -Dec.1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec.2-Dec.29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Dec.30-Feb. 2	14,236	19,660	11,936	13,052	1,232	8	22,232	10,824
Feb.3-Mar. 2	14,944	18,108	8,104	10,192	368	0	15,888	10,224
Mar.3-Mar.30	17,768	14,716	6,868	11,384	248	8	14,808	9,808
Week ended-								
Apr. 6	2,416	5,080	1,324	1,224	536	0	3,264	2,696
13	4,300	3,496	1,408	2,568	360	0	4,200	2,736
20	1,904	2,832	1,444	3,664	1,096	0	3,720	2,952
27	2,228	2,344	1,200	1,688	328	8	3,696	2,736
May 4	2,084	2,815	1,640	2,187	480	0	4,344	2,560
11	1,956	5,604	952	1,767	880	472	4,952	3,246
18	3,628	3,549	1,184	1,526	256	184	5,896	4,177
Total July 1-May 18	118,636	167,240	79,804	99,924	14,896	1,288	197,928	1/ 152,047

Compiled from Broomhall's Corn Trade News.

1/ Total includes 8,000,000 bushels shipped from Canada to United States. Weekly details are not available.

Table 18 .-Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported: July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Mar. 31	162	149
Germany	9	1/ - 4	Mar. 31	1/ - 5	10
Italy	13	8	Jan. 31	3	3
France	39	18	Feb. 28	14	1/ - 7
Belgium	41	41	Feb. 28	28	29
Netherlands	26	24	Mar. 31	19	16
Greece	20	12	Oct. 31	6	3
Czechoslovakia	7	2/	Feb. 28	3/	3/
Irish Free State	4/ 18	4/ 19	Feb. 28	12	11
Switzerland	19	18	Mar. 31	13	13
Austria	13	11	Dec. 31	4	4
Denmark	12	12	Mar. 31	10	16
Sweden	4	2	Mar. 31	1	2/
Norway	8	9	Mar. 31	6	6
Finland	4	4	Feb. 28	3	3
Spain	8	2/	Feb. 28	2/	2/
Poland	1/ - 1	1/ - 2	Mar. 31	2/	1/ - 2
Estonia	3/	3/	Dec. 31	3/	3/
Portugal	3	1	Jan. 31	3/	3/
Latvia	3/	0	Dec. 31	0	2/
Total	460	389		276	254

Compiled from official sources.

1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.
4/ Total imports.

Table 19 .-Wheat: Stocks in specified continental European countries, March 15 and April 15, 1934 and 1935.

Position	1934		1935	
	Mar. 15	Apr. 15	Mar. 15	Apr. 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
12 principal cont. ports (including following)	6,099	8,006	6,048	
Antwerp	2,506	3,917	3,178	2,950
Rotterdam	2,039	2,025	1,345	1,102
Germany-				
Berlin (wheat & flour) 1/	2,149	2,631	2,943	3,068
"Second-hand" stocks- (wheat & flour) 1/ 2/	55,578	56,342	75,574 3/	72,943
Farm stocks 1/	63,162	37,993	37,148	25,463
Other-				
Swedish mill stocks of wheat 1/	3,395	3,587	3,721	

Compiled in the Berlin Office of the Foreign Agricultural Service.

1/ First of month. 2/ In warehouses and flour mills, domestic wheat and flour as well as foreign duty-paid and duty-unpaid. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills and therefore must contain most of the Berlin data. 3/ Preliminary.

Table 20.-Rye: Acreage, yield, production, supply, indicated disappearance, and net exports, 1915-16 to 1934-35

Year beginning July	Acreage harvested	Average yield per acre	Production: United States	Production: World excluding Russia and China	Production: Percentage U. S. is of world	Stocks at end of crop year	Indicated disappearance	Exports, including flour: Net 1/	Exports, including flour: Percentage of production
	1,000 acres	Bush.	1,000 bush.	Mil. bush.	Percent	1,000 bush.	1,000 bush.	1,000 bush.	Per cent
1915-16	3,129	17.3	54,050	691	7.8	452	39,124	14,684	27.2
1916-17	3,213	15.2	48,862	663	7.4	515	35,524	13,275	27.2
1917-18	4,317	14.6	62,933	548	11.5	707	46,389	16,352	26.0
1918-19	6,391	14.2	91,041	590	15.4	8,981	46,938	35,829	39.4
1919-20	7,168	11.0	78,659	689	11.4	4,423	42,763	40,454	51.4
1920-21	4,825	12.8	61,915	620	10.0	2/587	18,866	46,885	75.7
1921-22	4,851	12.6	61,023	859	7.1	1,635	30,731	29,244	47.9
1922-23	6,757	14.9	100,986	866	11.7	15,101	35,956	51,564	51.1
1923-24	4,936	11.3	55,961	924	6.1	17,229	33,933	19,900	35.6
1924-25	3,941	15.0	59,076	739	8.0	7,160	18,904	50,241	85.0
1925-26	3,800	11.3	42,779	1,013	4.2	10,811	26,482	12,646	29.6
1926-27	3,419	10.3	35,361	825	4.3	1,018	23,457	21,697	61.4
1927-28	3,458	15.1	52,111	898	5.8	2,499	24,285	26,345	50.6
1928-29	3,310	11.7	38,591	975	4.0	6,632	24,971	9,487	24.6
1929-30	3,110	11.4	35,432	1,011	3.5	12,481	27,034	2,599	7.3
1930-31	3,612	12.8	46,275	1,013	4.6	10,154	48,463	139	0.3
1931-32	3,104	10.4	32,290	843	3.8	8,942	32,594	908	2.8
1932-33	3,344	12.2	40,639	1,007	4.0	10,501	38,783	297	0.7
1933-34	2,349	9.0	21,150	1,056	2.0	11,452	32,197	3/11,998	56.7
1934-35	1,937	8.3	16,040	911	1.8				

Compiled from office tables of Grain Price Analysis Unit. (Stocks compiled from reports of the Chicago Board of Trade). 1915 to 1926; Bureau of Agricultural Economics, 1927 to end of table.

1/ Total exports (domestic plus foreign) minus total imports. (1 bbl. of rye flour = 6 bushels of rye).
2/ Does not include Canadian grain held in bond in United States from this date.
3/ Net imports.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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Washington

WH-110 WORLD WHEAT PROSPECTS June 21, 1935

Summary

The world's wheat crop outside of Russia and China in the 1935-36 season now appears likely to be about 5 percent greater and the total supply about 3 percent less than in 1934-35, according to the Bureau of Agricultural Economics. The production estimate is based on an estimate of a 35 percent increase in production in North America, about the same or slightly less than last year for Europe excluding Russia, and about a 25 percent reduction in North Africa. In the Southern Hemisphere, the dry weather condition if unrelieved may easily result in a reduction there of more than 5 percent. The Russian crop is indicated to be materially larger than last year, whereas, the Chinese production is expected to be well below a year ago.

Stocks of old wheat as of July 1, 1935 seem likely to be about 295,000,000 bushels less than those of a year earlier. If the estimated 5 percent increase in world production is realized, or an increase of about 165,000,000 bushels, the world's wheat supply for the 1935-36 season would be about 130,000,000 bushels less than that of the previous season. World wheat prices now seem likely to remain near present levels until crop or demand conditions change significantly.

If the new crop in the United States proves to be around 670,000,000 bushels and our carry-over about 160,000,000 bushels, a surplus in the United States above minimum requirements of about 80,000,000 bushels would result. Occasioned by these prospects of the surplus supplies for the 1935-36 season there has been an adjustment in United States wheat prices relative to world levels as evidenced by the narrowing of the spread of Chicago prices over Liverpool which has been in progress since late April.

Canadian crop prospects in addition to being more favorable are much more uniform than they were a year ago. Weather and yield studies of the Bureau indicate that with average conditions during the remainder of the season Canadian production may amount to about 365,000,000 bushels, compared with 276,000,000 bushels in 1934.

The world production estimate given above is based on reports from all possible sources. The International Institute of Agriculture at Rome recently expressed an opinion that the European crop might be about the same as last year or a little larger. But reports received subsequently indicate some decrease in European crop prospects as compared with last year's production.

Wheat Acreage

The wheat area for the 1935 harvest in the 28 countries for which reports are available is 193,190,000 acres, which is an increas of 2.9 over the 187,755,000 acres in these countries last year when they represented about 90 percent of the Northern Hemisphere wheat acreage exclusive of Russia and China.

Unofficial reports of the spring wheat acreage in Canada indicate a decrease of 5 to 10 percent compared with a decrease of 3 percent indicated by the official report of farmers' intentions to plant. Cool, rainy weather delayed seeding but was of general benefit in promoting a strong growth.

Estimates of the winter sowings in Europe are still incomplete and the estimates of spring seedings are available for only a few countries. In 19 countries which represent over 90 percent of the wheat acreage of Europe exclusive of Russia the total area is 75,258,000 acres, an increase of 1.6 percent over 74,109,000 acres in 1934. The greater part of this expansion is in the four exporting countries of the Danube Basin where the acreage has been increased from 19,926,000 acres in 1934 to 21,384,000 acres. The International Institute of Agriculture reported that there is no reason to expect any appreciable changes in the acreage sown last autumn in the countries which have not yet issued estimates nor in the spring wheat acreage which is relatively unimportant in European countries. The Institute estimates that the total wheat acreage in Europe will exceed last year by at least 1,300,000 acres and probably exceed by a small amount the record area in 1933.

The winter wheat area in USSR has been increased by about 2,000,000 acres and the spring wheat area is reported on June 5 to have reached 105.1 percent of the plan.

The acreage in North Africa is approximately the same as last year. India reduced the wheat acreage by more than 1,000,000 acres but good yields have increased the production prospects compared with 1934.

No data are available as to extent of the wheat acreage in the Southern Hemisphere but weather conditions in both Argentina and Australia have been unfavorable to preparing the land and seeding the crop and some reduction in area now appears probable particularly in Australia.

Crop Conditions

May was an unusual month for most of Europe because of unseasonable cold and stormy weather 1/. Snow fell generally over central and northern Europe and even in parts of France and England where records indicate this to be a rare occurrence. Freezing temperatures at night were fairly common in early May and though there have been some days of warm temperatures and sunshine, cool, cloudy and rainy weather predominated. The condition of crops, which was so favorable last fall for nearly all countries, has generally shown some deterioration but in most cases is still around average or a little above. Rainfall during the month was generally ample; the western Mediterranean area, however, experienced a severe drought in many parts and May rains came too late. No concern, however, is being expressed as yet this year about lack of rains in other countries. This is in marked contrast to the situation prevailing a year ago.

Bread grain prospects in Germany, Czechoslovakia, Austria, and especially the Danube Basin and Greece based on the present condition of the crop appear quite favorable compared with last year. In Spain, Portugal, southern Italy, and most of French North Africa, especially Morocco definite decreases from last year and even from average in some cases are in prospect. The durum crop of southern Italy and of North Africa now appears likely to be considerably less than a year ago and one of the smallest crops in recent years.

A large crop is not expected in France, the Scandinavian countries, Poland, and the Baltic States. In Russia, reports from most regions indicate quite satisfactory crop conditions. Average or above average conditions were reported for Ukraine.

Crop growth in most countries has been generally checked by the cool weather and harvesting is expected to be delayed 2 weeks or more which will make it much later than last year and place it in the usual rainy period. The unseasonable May and to some extent April weather also has generally interfered with spring work. The outlook for spring grains and other crops at this time would appear to be somewhat less favorable than in most seasons for most countries and a good growing season will be necessary from now on in order to obtain satisfactory yields.

Central European countries 1/

Germany- Official May 1 crop condition figures for Germany this year compared with May 1 last year show a somewhat better situation for winter wheat and barley and about the same condition for rye. In the case of both rye and wheat, the condition appears to be the least satisfactory in the important eastern section of the country, although even there only a

1/ Reported by Gordon P. Boals, Assistant Agricultural Attaché, Berlin.

few districts were reported "below average". A smaller percentage of winter wheat acreage had to be plowed under as a result of winter-kill than during the previous season, which would cause the decline in the winter wheat acreage to be largely offset by smaller winter-kill, leaving the acreage for harvest much the same as last year.

Unseasonable cold weather was experienced during most of May, temperatures frequently going down to freezing and even below. These weather conditions resulted in a considerable delay in crop growth, but it does not appear that the frosts have done any actual damage to the cereals. A subsequent frost in June when the grain reaches the flowering stage would be very harmful, and the unusual season thus far is causing some apprehension in this respect. A delayed harvest is expected in most of the country, and this also is a matter of concern in some quarters because August is very often rainy.

Poland - Snowstorms and frosts in early May and continued cool and cloudy weather during much of the month have made for further deterioration of winter crops in Poland. The official May 15 crop condition figures for both wheat and rye are materially below those on April 15 and below average. Owing to the late and cold spring field work was greatly delayed and on the whole sowings of spring crops took place under unfavorable weather conditions.

Czechoslovakia - Winter crops in Czechoslovakia were reported to have come through the winter in a generally satisfactory condition. The official May 1 condition report is above last year and also above average for both wheat and rye. The unusual cold weather experienced during most of May, however, was not favorable to the development of crops, growth having been delayed and even actual frost damage reported. With very favorable weather conditions, it is hoped that the extent of the damage can be greatly reduced, although harvest is expected to be delayed. Spring sowings began early, but were interrupted by cool and rainy weather in April so that in many regions, particularly the higher sections of the country, seeding was delayed until the end of April and in some cases early May. Field work was reported to be fully 2 weeks or more late.

Austria - The official crop condition report as of the beginning of May indicated no change in the generally very favorable crop condition reported in previous months. Despite the unseasonably cold weather which prevailed during most of April, condition of both winter and spring cereals are reported as "good" and are mostly better than at the same time a year ago. The lack of warm weather impeded the growth of winter crops and delayed seedings of spring crops. The sprouting of spring cereals took place rather slowly, owing to the cold weather, but their appearance is now reported healthy. Cold weather continued during most of May, but cereals are not believed to have sustained any significant damage. Growth is delayed, however, and the harvest is expected to be at least 2 weeks late.

Western Mediterranean countries 1/

Italy - Crop conditions in the Italian wheat producing areas do not appear to be very favorable, as a result of prolonged dryness and winds in the South and in Sicily, and considerable cool and rainy weather, with prospects of rust damage in the North. On the whole the present outlook does not point to yields above average, although especially favorable weather from now on may still bring a change for the better. Dividing the crop into bread and durum types, it appears that there may be some increase in bread wheats but a decrease in durum. An average harvest on the basis of 1928-1932 yields would result in a production of around 243,000,000 bushels, compared with 233,000,000 bushels last year, of which 175,000,000 bushels were classified as bread wheat and 58,000,000 bushels as durum.

France - Growing weather during May was not very favorable and deterioration appears to have occurred, especially in the central area. Cool, cloudy and rainy weather generally prevailed and in the northern and eastern regions fairly heavy attacks of rust were reported. Conditions in France appear to be very difficult to appraise as evidenced by the fact that production estimates vary from 272,000,000 bushels to well over 300,000,000 bushels. Last year's production is now estimated at 338,511,000 bushels.

French North Africa - A fairly good crop is expected in Tunisia, a fair crop in Algeria, a very poor crop in Morocco. A considerably smaller durum crop is expected as a result of the very unfavorable crop prospects in Morocco where durum makes up a very large percentage of the total wheat harvest. This reduction, however, is not expected to have any significant effect on durum supplies for France, as Moroccon durum is already limited by quota, and the quantity available from Tunisia and Algeria will probably be sufficient to meet total needs. There are stocks of bread wheat in all of these dependencies, and some of this class of grain will be available for shipment to France but probably in smaller volume than has been the case during the past season.

Spain and Portugal - Present prospects now point to a wheat crop in Spain very much below last year and even below average. Mr. Mallory after a recent trip in Spain made a preliminary forecast of 129,000,000 bushels, which compared with 180,000,000 bushels harvested last year and an average crop of around 147,000,000 bushels. The sharp reduction is largely due to a long drought period which has prevailed this year. The drought was broken in the North during the second week of May in time to save the crop, it is believed, but in the South rains arrived too late. In Andalusia, in southern Spain, which ordinarily produces one fourth of the total Spanish crop, a harvest equal to only about one half of that of last year is expected. If weather conditions during the remainder of the season in northern Spain are not especially favorable, some reduction in the estimate would likely be necessary.

In Portugal, greatly reduced crops are also in prospect. Present indications point to a production possibly below average. In view of the fact that there is a considerable carry-over still on hand from the 1934

1/ Reported by L. D. Mallory, Assistant Agricultural Attaché, Paris.

harvest, a greatly reduced crop would probably not necessitate imports for consumption during the coming season.

The Danube countries 1/

Freezing and thawing at the beginning of May, which culminated in serious night frosts practically throughout the Danube Basin, reaching in some sections 16°F., has resulted in some larger than usual frost damage to the growing wheat crop. However, on account of cold weather during April, the plants were still in the stooling stage, and consequently the extent of the damage is not such as would materially affect the outcome of the crop. General rains during the period of May 12 to 15 have promoted growth, which was inhibited on account of cold weather in April and early May. After the middle of May, the weather became warmer. According to the official reports, production in Hungary was estimated at 75,200,000 bushels compared with 64,823,000 bushels last year, and Rumania between 96,000,000 and 110,000,000 bushels compared with 76,553,000 a year ago. In Bulgaria and Yugoslavia no serious damage appears to have been done by the frost and condition of the growing crop is reported to be still good.

The Soviet Union 2/

Indications this year point to a good crop in the Soviet Union, if climatic conditions remain favorable. The State Commission for the appraisal of crops reports that 14 percent of the crops on June 3 were in excellent condition, 38.6 percent in good condition, 31.1 percent in fair condition, 10.5 percent below average, and only 5.8 percent poor.

By June 5 the spring sowing plan for wheat (60,279,000 acres) had been exceeded by 5.1 percent and for oats 2.6 percent. Wheat appears to have been sown this spring earlier than in the previous years of the collectivization period of Soviet agriculture, which is an important favorable factor from the standpoint of yields. The outlook for all spring grains, particularly wheat and barley appears to be good according to Soviet reports. Winter wheat is also in good condition, especially in North Caucasus, the Ukraine, the lower Don and Crimea.

Prospective Wheat Supplies in the United States

The winter wheat crop in the United States indicated at about 441,494,000 bushels by conditions as of June 1, although still 29 percent below the 5-year (1928-1932) average, would be well above last year's short crop of 405,034,000 bushels. The spring wheat crop with May 1 condition at 85.2 percent of normal, compared with the 10-year (1923-1932) average of 82.7 percent may approximate the 10-year average yield, if average weather conditions from now on are realized. On the acreage indicated for harvest by the intentions-to-plant report, this would mean a production of about 230,000,000 bushels of spring wheat. If the winter wheat crop indicated above is realized, such a production of spring wheat would result in the total wheat crop of about 670,000,000 bushels compared with 496,469,000 bushels last year and 860,570,000 bushels for the 5-year

1/ Reported by Louis G. Michael, Agricultural Attaché, Belgrade.
2/ Reported by the American Embassy at Moscow.

(1928-1932) average. At 670,000,000 bushels, the production would be well over normal domestic utilization which is estimated at about 625,000,000 bushels. With July 1 stocks estimated between 150,000,000 and 170,000,000 bushels, total supplies may be in the neighborhood of 80,000,000 bushels greater than minimum needs, after allowing for a minimum normal carry-over of 125,000,000 bushels.

A preliminary analysis of prospective supplies by classes and regions indicates that the potential surplus will be largely of white wheat localized in the Pacific Northwest. The analysis, made on the basis of present indications, also points to a small surplus east of the Rockies consisting principally of soft red winter wheat. However, this may be largely used to offset a shortage of hard red winter wheat. Supplies of hard red spring wheat and durum may be ample for 1935-36 requirements if average conditions prevail during the remainder of the season.

Wheat Prices

Wheat prices in the United States during the past month continued the readjustment occasioned by the prospects of surplus supplies in 1935-36. Liverpool prices declined much less than those in the United States and if present indications as to foreign production are borne out Liverpool prices may be expected to remain relatively firm.

The decline in wheat prices which started about April 22 continued into June. The decline in domestic prices, however, has been much greater than that in world prices, the margin of Chicago July futures over Liverpool July futures narrowing from about 18 cents to about 4 cents. Closing prices of Chicago July futures for the week ended April 20 averaged 101 cents compared with 83 cents at Liverpool, while for the week of June 8 Chicago averaged 84 cents and Liverpool 80 cents. Improvements in the new United States wheat crop prospects remained the dominant influence contributing to the weakness of the domestic market. Reaction to the sharp rise preceding mid-April and the unsettled situation in France were weakening factors in the world price level. Average farm prices of wheat in the United States declined from 90 cents per bushel in April to 88 cents in May and the mid-June average may be down to about 75 cents. Last year the June average was 79 cents. No. 2 Hard Red Winter at Kansas City dropped from 107 cents for the week ended April 20 to 91 cents for that ended June 8 and No. 2 Red Winter at St. Louis declined from an average of 100 cents to 86 cents for the same weeks.

Table 1.-Wheat: Price per bushel at specified markets in terms of United States currency, by weeks, April - June 1935

Week ended		Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Apr.	6	98.0	114.8	77.8	62.6	77.9	61.4	226	129	228
	13	101.0	116.0	81.0	63.8	79.2	62.7	227	134	235
	20	107.2	119.4	81.4	63.6	80.1	62.8	227	139	244
	27	105.3	121.1	80.5	63.0	78.5	65.8	227	138	244
May	4	103.5	120.4	80.0	62.6	77.2	68.0	229	141	245
	11	103.0	119.3	79.0	62.2	77.4	69.2	228	144	245
	18	102.5	118.5	78.4	62.1	76.8	72.0	228	143	251
	25	99.5	117.2	77.2	60.8	75.7	72.5	228	142	257
June	1	93.5	108.7	74.2	59.2	77.4				
	8	91.0	107.8	74.6	60.9	79.7				
	15	89.0	105.9	73.0		78.3				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

Table 2.-Wheat: Closing prices of July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/...	103	101	96	101	106	111	83	90	75	84	4/ 55	4/ 65
Low 3/...	75	79	67	78	72	91	66	81	66	76	4/ 53	4/ 59
May 18..	89	91	82	91	90	106	71	87	68	80	4/ 54	4/ 62
25..	92	88	84	87	94	103	75	87	70	77	4/ 54	4/ 60
June 1..	98	83	91	83	101	96	80	82	73	76	4/ 55	4/ 59
8..	99	84	91	83	100	98	78	83	73	80	4/ 54	4/ 60
15..	94	79	86	78	97	91	78	82	71	77	54	59

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ April 1 to date. 4/ June futures.

WH-110.

Table 3.-Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No.2 Hard 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/...	104	115	96	107	110	121	119	138	98	100	83	88
Low 3/....	79	97	70	88	81	106	87	98	73	86	69	75
May 18...	93	109	82	103	94	118	106	117	86	93	76	84
25...	95	110	86	100	98	117	106	119	88	92	76	82
June 1...	104	102	96	94	110	109	118	108	98	88	83	78
8...	102	101	95	91	106	108	119	98	98	86	82	75
15..	101	97	91	88	105	106	114	104	95	86	81	

1/ Amber Durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ April to date.

World Surplus and Trade

The June 1 surplus for export or carry-over in the principal exporting countries, including United Kingdom port stocks and afloat, is estimated at about 580,000,000 bushels compared with 789,000,000 bushels a year earlier. On the basis of estimated shipments during June, stocks on July 1 may be in the neighborhood of 530,000,000 bushels, compared with 743,000,000 bushels a year earlier, and 789,000,000 bushels July 1, 1933. This would represent a decrease of about 210,000,000 bushels during the past year. Stocks in European and North African countries have also decreased this last year by perhaps 85,000,000 bushels, which would make a total decrease in stocks of around 295,000,000 bushels.

World shipments in May averaged 11,858,000 bushels per week which was 2,202,000 per week more than in April and 2,314,000 per week more than in May, 1934. Shipments for the week ended June 8 amounted to 8,202,000 bushels and those for the week of June 15 totaled 7,695,000. The average this year for January through May was 10,393,000 bushels compared with 10,151,000 bushels for the same period a year earlier.

Table 4.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, June 1, 1932 - 1935

Position	June 1			
	1932	1933	1934	1935 prel.
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	396	397	293	1/ 160
Canadian wheat	7	5	5	9
Canada:				
Domestic wheat	170	241	233	2/ 232
United States wheat	17	5	0	3/
Argentina	45	75	123	75
Australia	58	61	90	57
Total	693	784	744	(533)
United Kingdom port stocks:				
Wheat	10	12	12	(10
Flour (as wheat)	1	1	2	(
Afloat for United Kingdom	17	20	11	15
Afloat for Continent	28	11	10	10
Afloat for orders	18	9	10	11
Total	74	53	45	46
Grand total	767	837	789	(579)

1/ Estimated carry-over.
2/ Production plus carry-over less exports and domestic utilization, which constitutes the method which has been used in the port, indicated a surplus of 217,000,000 bushels on June 1. This has been increased 15,000,000 bushels in harmony with stocks reported on May 31, 1935.
3/ Less than 500,000 bushels.

The Effect of Weather Conditions on Spring Wheat Yields in the United States 1/

Thus far during the current season weather conditions in the spring wheat regions have been far more favorable than they were last year. Correlation studies and weather to date indicate an average yield of about 12.0 bushels for North Dakota and 11.5 for Montana. Such studies indicate that spring wheat yields are largely dependent upon the amount of precipitation in the preceding fall, upon precipitation during the spring months, and temperature and precipitation in the early summer months.

Precipitation during September and October last fall in North Dakota and Montana was somewhat below normal, contributing to the deficiency in the subsoil moisture available this spring. In South Dakota and Minnesota, on the other hand, the precipitation for those two months was above normal.

1/ This analysis was made by E. J. Working.

This spring precipitation was above normal throughout most of the spring wheat area, being well above normal for the months of March and April in North Dakota, South Dakota and Minnesota. In Montana, although precipitation was materially above normal in March, it was somewhat below normal in April. For the month of May, precipitation was a little above normal in North Dakota, but somewhat below normal in South Dakota and only about three-quarters of normal in Montana and Minnesota. For the area as a whole weather conditions to date suggest that spring wheat yields will be far better than last year and possibly a little above average.

It should be borne in mind, of course, that using weather conditions from September 1934 to date does not make any allowance for possible deficits of subsoil moisture which may have been the result of the very low precipitation prior to last fall. However, precipitation prior to September is ordinarily of relatively little importance in affecting subsoil moisture in the spring.

In the May 1934 issue of World Wheat Prospects (pages 7-12) there appeared a brief analysis of the situation then prevailing in the spring wheat area in the light of the results of a correlation analysis of wheat yields and weather conditions in the State of North Dakota. Using the same curvilinear regressions as those used in that analysis, but using final published data on weather conditions, a calculated yield per acre of 1.7 bushels is arrived at for 1934. This compared with an actual yield on the harvested area of 5.6 bushels and a yield on the seeded area of 2.4 bushels per acre. It is of course to be expected that the yield indicated by the weather factors would approximate the actual yield on the acreage seeded rather than the actual yield on the acreage harvested. The acreage harvested last year was in the most favorably situated regions whereas the weather factors represented an average of conditions throughout the entire stat, as did also the yield per acre on the acreage planted. In view of the extremely unusual conditions and the fact that the basis analysis covered only the period 1900-1929 it is rather surprising that the calculated yield of 1.7 bushels per acre was as close as it actually turned out to be to the 2.4-bushel yield per acre sown.

A similar study of the relationship between weather factors and yields was worked out for the State of Montana. It was of course impossible exactly to duplicate the analysis which was made for North Dakota because in Montana there has been a very marked change in the location of the wheat area over the past 35 years. In 1900, the first year used in the North Dakota study, almost no wheat was grown in Montana, except in the irrigated valleys of the western part of the state. Since that time spring wheat growing has spread westward from eastern North Dakota and is now very important throughout eastern and central Montana. Consequently, the Montana study was limited to the period subsequent to the great expansion of wheat acreage in that state and includes only the period 1919 to 1933 inclusive. The same factors were used as in the North Dakota study and the regressions obtained were very similar. An index of correlation of .979 was obtained for the curvilinear analysis, whereas in the case of the linear correlation the coefficient of correlation was .95. The Montana study applied to last year's weather conditions indicated an average yield of all spring wheat of 8.3 bushels per acre. The actual yield as estimated by the Crop Reporting Board is 7.1 bushels per acre sown.

Table 5.-Precipitation in four states, compared with normal, 1933-34 and 1934-35

State, year and item	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches
N. Dak. -												
Normal 1/	1.61	1.08	0.62	0.52	0.47	0.46	0.76	1.46	2.40	3.45	2.42	2.04
1933-34	0.79	0.53	0.65	0.83	0.20	0.06	0.49	0.44	0.35	3.04	1.22	1.15
1934-35	0.96	1.01	0.28	0.30	0.41	0.21	1.02	2.12	2.66			
S. Dak. -												
Normal 1/	1.70	1.31	0.67	0.57	0.55	0.57	1.12	2.13	2.99	3.54	2.61	2.31
1933-34	1.21	0.12	0.24	0.56	0.25	0.17	0.96	0.50	0.69	3.35	1.88	1.32
1934-35	2.11	1.27	0.47	0.30	0.24	0.57	1.37	4.60	2.85	2.84		
Minn.												
Normal 1/	2.92	1.96	1.17	0.79	0.75	0.73	1.19	2.05	3.19	4.05	3.35	3.15
1933-34	3.07	1.44	.85	1.08	0.55	0.24	0.71	1.12	0.99	4.02	2.24	2.07
1934-35	3.41	2.60	1.43	0.95	1.22	0.28	1.52	2.70	2.40			
Mont.												
Normal 1/	1.39	1.03	0.99	0.89	0.88	0.68	0.95	1.15	2.22	2.52	1.47	1.15
1933-34	0.85	1.49	0.71	2.05	0.72	0.28	1.27	0.49	0.67	2.99	0.74	0.33
1934-35	1.13	1.14	0.35	0.91	0.87	0.19	1.28	1.04	1.69			

1/ Normals are those last published in reports on Climatological Data for the various states.

In Table 5 precipitation data are given for the four states, North Dakota, South Dakota, Minnesota, and Montana. In this table, precipitation for the various months of 1933-34, and 1934-35 to date is compared with the normal precipitation. Averages for April and May of the current year are based upon available stations and do not cover all reporting stations as do figures for the earlier months.

Applying the data which appear in Table 5 to the North Dakota and Montana correlation analyses of weather and yields and assuming that weather conditions during the months of June and July will have their average influence upon wheat yields, we arrive at a calculated yield for North Dakota of approximately 12.0 bushels per acre and for spring wheat in Montana of approximately 11.5 bushels per acre.

Weather conditions during June and July will of course be of prime importance in affecting the final outturn of the crop in all the spring wheat states. In the North Dakota study the relative importance of the five weather factors was as follows: first, June temperature; second, April-May precipitation; third, July temperature; fourth, July precipitation; and fifth, September-October precipitation. In the case of the Montana study, however, the order of importance was slightly different: first, July temperature; second, June temperature. Both April-May precipitation and July precipitation were indicated to be of equal importance and were next below June temperature, whereas September-October precipitation was of much smaller significance. The relative importance of the weather factors as given above relate to the periods of years covered in the respective studies. The North Dakota study covers the period 1900-1928 whereas the Montana study covers the period 1919-1933.

The Continental European Wheat Market Situation during April 1/

European demand for overseas wheat during the month of May was fairly active, considering the relatively narrow limits set by the import needs for the current season. Canada and Argentina supplied most of the takings of overseas wheat which were mostly made by the United Kingdom, Holland, Belgium and Italy. Business in domestic wheat was also fair in those countries where a significant supply is still available.

Price developments in the various European countries were not uniform. Quotations of overseas wheat, of course, moved fairly closely in line with the generally weakening tendency observed in world markets, but developments in domestic wheat prices varied considerably. A stiffening tendency, notably during the first half of the month, was apparent in France, Austria, and Poland, while in Italy a considerable price increase occurred. Price movements in other countries were less pronounced, except for a firm tendency in Sweden and weakening quotations in Denmark. The reasons for most of these firmer price tendencies lay in the great reduction of domestic supplies (Italy, Austria, Sweden).

Germany

Though wheat of high gluten content was in rather active demand during May, nevertheless the turnover was somewhat unfavorably influenced by the change in the storage obligations for flour mills. Since the beginning of May, wheat flour mills have been obliged to keep in stock a minimum of only one monthly milling contingent, whereas previously a quantity of twice the monthly milling contingent was required. As a result of this, flour mills largely relied on their own supplies in May, and reduced their current demand in the market.

The Central Union of the German Grain Trade on the first of May began to issue the compulsory (maximum) prices and price-spreads for all flour mill products. As a result of this, the various regional grain associations announced that June prices for flour and bran would be unchanged for July.

Italy

Wheat trade in Italy during the month of May, though not of unusual volume, was stimulated by the scarcity of domestic supplies and considerable anxiety regarding the growing crops. Prices of domestic wheat under the circumstances advanced considerably and import purchases by the Italian import organization were rather large. They included the purchase of important quantities of French wheat, including, according to reports, 1,837,000 bushels out of government stocks and another 1,470,000 bushels purchased directly from French producers.

During the Rome conference between Italy, Austria and Hungary, that took place at the beginning of May this year, Italy is reported to have declared its readiness to increase the annual wheat purchase promise with Hungary from 3,674,000 bushels, previously in force, to 7,349,000 bushels, effective with the beginning of the new season.

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attache, Berlin, and L. D. Mallory, Assistant Agricultural Attache, Paris. All price quotations have been converted at current rates of exchange.

France

Wheat prices held generally steady in France, with no major movements during the month. Export business, despite some increases in export demand, was small largely because export licenses were about used up. Nevertheless, considerable shipments of French wheat to Italy occurred, and some trade was reported for Switzerland and Denmark. New crop prospects have not as yet had much influence on the market, as it is too early yet to form dependable judgments.

According to a survey published by the Ministry of Agriculture at the beginning of May, licenses for a total export of wheat of 32,000,000 bushels of milling wheat as well as feeding wheat have been issued so far. An agreement with Italy assured the further exportation of 1,837,000 bushels of free wheat from the 1934 crop to that country. Authorizations for denaturing were granted up to an extent of 22,400,000 bushels. Another quantity of approximately 22,000,000 bushels was to be purchased by the government, but only a small part of this amount it appears has been acquired as yet. The total absorption of wheat by these methods, i.e., exports, denaturing and direct purchases by the government, would total approximately 73,000,000 bushels, of which about 40,000,000 bushels were definitely absorbed (exports, denaturing and actual government purchases). New authorizations for exports of millable wheat are now possible, following the new quota understanding reached at the recent London wheat meeting, which provided for an increase in the export quota of millable wheat from 11,000,000 to 24,000,000 bushels and a corresponding decrease for denatured wheat from 22,000,000 to 9,000,000 bushels. The millable wheat exports are to be spread evenly over the period June to October, 1935. As yet, the new export licenses, however, have not been issued.

Belgium and Netherlands

Fairly large quantities of overseas wheat were acquired by these two countries during the month of May, with Argentine wheat constituting the largest share of Dutch purchases, and Manitobas as well as Argentine wheat making up the bulk of purchases by Belgium. The slight declining tendency on overseas wheat markets exhibited during May was likewise shown in the movement of Rotterdam quotations which tended downward throughout the month, except for a considerable increase during the first 4 days of the month.

Czechoslovakia

Business in both wheat and rye continued very quiet during the month. Rye was again in slightly better demand than wheat, while the flour business was unsatisfactory. The Grain Monopoly Administration had purchased up to the end of April approximately 1,800,000 short tons of grain and had sold approximately 1,130,000 short tons. Monopoly stocks of grain, accordingly, at the end of April amounted to about 689,000 short tons, and it is believed that the total carry-over into the new crop year will amount to approximately 330,000,000 short tons of grain. Beginning with May 1, the sur-tariffs on grain were again reduced as a result of the May 1 increase in fixed prices. The tariff on wheat was reduced from 18 to 16 cents per bushel and rye from 30 to 29 cents.

Austria

Trading especially in domestic wheat was fairly active on Austrian markets during May. Domestic wheat was more in the foreground than previously, because of a lack of Hungarian offers and restricted possibilities for the purchase of near-at-hand other foreign wheat. Another 367,000 bushels of Argentine wheat was acquired by way of compensation, thus bringing the total of Argentine wheat purchases so far this season up to 1,102,000 bushels. As was reported by the press toward the end of May, the planned deal with Rumania including the importation by Austria of 588,000 bushels of Rumanian wheat at a reduced tariff rate of 75 cents per bushel has now been concluded and the quantity involved is expected to be imported prior to June 30.

Denmark

Grain prices declined slightly as compared with April. Trading was fairly active and included a small quantity of French wheat. A bill now under consideration contains a new grain market regulation for the period beginning August 1, 1935. It stipulates minimum wheat prices of 78 cents per bushel and maximum of 85 cents.

Sweden

The market was quiet for most of the month. Wheat and rye offerings by farmers continued small, partly because of the expectation of a higher producer's price to be paid beginning June 1.

Poland

Somewhat improved conditions were reported for the Polish wheat markets during May. Prices were slightly better which in some quarters is attributed to the probability that beginning with the next season the wheat export bounty will be raised from 31 cents to 41 cents per bushel. It is not improbable, however, that further general crop deterioration is being reflected in the market situation. Offerings on the part of farmers increased but were not burdensome because of the simultaneous increase in flour mill demand. It is interesting to note that the slight improvement in the market situation has occurred despite the fact that market-supporting purchases have not been resumed.

Table 6.-Wheat: World supply, price and disappearance, 1921-22 to 1935-36

Year	Production: United States	Canada	Argentina	Australia	Europe 1/	All other 2/	World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	644	3,673
1928-29	913	567	349	160	1,410	596	3,995
1929-30	822	305	163	127	1,451	705	3,573
1930-31	890	421	232	214	1,360	734	3,851
1931-32	932	321	220	191	1,436	756	3,856
1932-33	746	443	241	214	1,492	718	3,854
1933-34	529	282	286	178	1,748	764	3,787
1934-35 3/ ..	496	276	238	135	1,540	777	3,462
1935-36 3/ ..	670	(365)					(3,625)

Year	Ship-ments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	No. 2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	314	3,493	3,203		120
1922-23	1	290	3,494	3,191	136	113
1923-24	21	303	3,843	3,495	121	105
1924-25	6/	348	3,474	3,192	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	289	3,832	3,496	164	135
1927-28	5	336	4,014	3,592	154	135
1928-29	6/	422	4,417	3,800	129	112
1929-30	7	617	4,197	3,614	131	120
1930-31	112	583	4,546	3,877	80	76
1931-32	72	629	4,597	3,901	59	47
1932-33	19	696	4,569	3,780	54	51
1933-34	34	789	4,610	3,867	69	88
1934-35 3/ ..	(4)	743	4,209		7/ 80	8/ 99

1/ Excludes Russia. 2/ Excludes Russia and China. 3/ Preliminary. 4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat. 5/ Not available. 6/ Less than 500,000 bushels. 7/ Ten months. 8/ Eleven months.

Table 7.-United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35 1/

Period	Wheat		Wheat flour		Wheat incl. flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept. 29	133	108	152	221	847	1,147
Sept. 30 - Oct. 27	13	58	121	190	581	952
Oct. 28 - Dec. 1	932	147	165	217	1,707	1,167
Dec. 2 - Dec. 29	3,393	30	198	185	4,323	899
Dec. 30 - Feb. 2	2,915	16	266	137	4,165	660
Feb. 3 - Mar. 2	3,295	4	202	119	4,244	563
Mar. 3 - Mar. 30	2,257	8	163	107	3,022	511
Mar. 31 - Apr. 27	4,370	12	201	127	5,314	608
Week ended -						
May 4	747	0	79	24	1,118	113
11	421	19	17	39	501	202
18	532	0	37	34	706	160
25	4	0	12	33	60	155
June 1	0	1	11	25	52	119
8	4	0	20	28	98	132
15	86	0	16	67	161	315

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 8.-Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1934-35

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	37,982	32,861	18,911	Apr. 30
Canada	199,563	267,342	198,555	247,893	178,145	161,202	May 31
Argentina	144,920	120,272	144,849	106,298	128,490	174,754	May 31
Australia	155,451	148,552	86,509	118,608	68,154	82,060	Mar. 31
Russia	71,829	19,676	33,787	18,617	29,668	3,507	Jan. 31
Hungary	18,064	7,010	29,615	5,435	23,574	8,855	Mar. 31
Yugoslavia	15,369	1,162	839	1,152	536	3,888	Mar. 31
Rumania	37,481	179	248	179	242	0	Mar. 31
Bulgaria	11,795	3,144	4,769	2,181	2,879	7	Dec. 31
British India (L & S)	3,870	2,169	1/1,980	1,415	1,449	1,627	Feb. 28
Total	794,139	610,717	538,153				

	Shipments as given by trade sources						
	Total		Week ended - 1935			July 1 - June 15	
	1932-33	1933-34	June 1	June 8	June 15	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	3,800	1,815	1,830	212,392	163,685
Canada, 4 markets 3/	289,257	194,213	2,806	4,188		181,769	
United States	41,211	37,002	119	132	315	20,034	35,850
Argentina	115,412	140,128	3,576	3,353	3,047	133,488	180,988
Australia	153,400	90,736	2,056	1,194	1,666	85,160	108,692
Russia 4/	17,408	26,656	0	0	0	26,656	1,696
Danube and Bulgaria 4/	1,704	15,872	128	880	376	15,776	3,272
British India	5/2,169	1/1,980	0	0	0	0	312
Total 6/	583,597	495,988				473,472	458,645
Total European shipments 2/	448,672	401,560	8,792			7/ 367,424	7/ 361,184
Total ex-European shipments 2/	164,256	123,352	2,680			7/ 115,496	7/ 134,264

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To June 1.

Table 9.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	---	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	---	248	20,568	21,144
Sept. 2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct. 28-Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec. 2-Dec. 29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Dec. 30-Feb. 2	14,236	19,660	11,936	13,052	1,232	8	22,232	10,824
Feb. 3-Mar. 2	14,944	18,108	8,104	10,192	368	---	15,888	10,224
Mar. 3-Mar. 30	17,768	14,716	6,868	11,384	248	8	14,808	9,808
Mar. 31-Apr. 27	10,848	13,752	5,376	9,144	2,320	8	14,880	11,120
Week ended								
May 4	2,084	2,828	1,640	2,192	480	---	4,344	2,560
11	1,956	5,608	952	1,760	880	472	4,952	3,208
18	3,628	3,584	1,184	1,524	256	184	5,896	4,176
25	3,340	3,720	1,400	3,856	288	600	4,384	4,232
June 1	2,424	3,576	1,404	2,056	144	128	3,192	3,800
8	5,272	3,353	1,324	1,194	64	880	3,064	1,815
15	3,816	3,047	1,228	1,666	384	376	3,824	1,830
Total July 1-June 15 ...	133,488	180,988	85,160	108,692	15,776	3,272	212,392	1/ 163,685

Compiled from Broomhall's Corn Trade News.

1/ Includes wheat shipped from Canada to the United States. Complete weekly details are not available.

Table 10.-Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported		
			July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Apr. 30	180	164
Germany	9	1/ - 4	Apr. 30	1/ - 6	10
Italy	13	8	Feb. 28	4	4
France	39	18	Feb. 28	14	1/ - 7
Belgium	41	41	Mar. 31	33	32
Netherlands	26	24	Apr. 30	20	17
Greece	20	12	Feb. 28	9	6
Czechoslovakia	7	2/	Feb. 28	3/	3/
Irish Free State ..	4/ 18	4/ 19	Mar. 31	14	13
Switzerland	19	18	Apr. 30	15	14
Austria	13	11	Dec. 31	4	4
Denmark	12	12	Apr. 30	10	17
Sweden	4	2	Apr. 30	2	1/ - 1
Norway	8	9	Apr. 30	6	7
Finland	4	4	Mar. 31	3	3
Spain	8	2/	Mar. 31	2/	2/
Poland	1/ - 1	1/ - 2	Mar. 31	2/	1/ - 2
Estonia	3/	3/	Dec. 31	3/	3/
Portugal	3	1	Mar. 31	1	3/
Latvia	3/	0	Feb. 28	0	2/
Total	460	389		309	281

Compiled from official sources.
1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.
4/ Total imports.

Table 11.-Wheat: Stocks in specified continental European countries, April 15 and May 15, 1934 and 1935

Position	1934		1935	
	Apr. 15	May 15	Apr. 15	May 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
12 principal continental ports (including following)	8,006	7,110	5,247	5,706
Antwerp	3,917	3,491	2,950	2,921
Rotterdam	2,205	2,296	1,102	919
Germany-				
Berlin (wheat and flour) 1/	2,631	2,735	3,068	3,108
"Second-hand" stocks- (wheat and flour) 1/ 2/	56,342	55,534	73,255	3/68,442
Farm stocks 1/	37,993	28,733	25,463	17,306
Other-				
Swedish mills stocks of wheat 1/	3,586	3,638	3,935	3,979

1/ First of month.
2/ In warehouses and flour mills, domestic wheat and flour as well as foreign duty-paid and duty-unpaid. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills and therefore must contain most of the Berlin data.
3/ Preliminary.

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WORLD WHEAT PROSPECTS

Summary

The world wheat crop outside of Russia and China in the 1935-36 season will probably be about 330,000,000 bushels greater than last year, according to present indications, but this increase in production will be largely offset by a decrease in the carry-over of old wheat. The world production, excluding Russia and China, averaged 3,761,000,000 bushels during the years 1930-31 to 1934-35 and world supplies during the same period averaged 4,505,000,000 bushels. Production in the Northern Hemisphere, outside of Russia and China, may be about 365,000,000 bushels more than a year ago. The greatest increase is in the United States and Canada, probably about 325,000,000 bushels. Increases are also indicated for Europe and Asia of about 45,000,000 bushels and 20,000,000 bushels respectively. As a result of unfavorable conditions, the production in North Africa appears to be about 25,000,000 bushels short of a year ago. A weather and yield analysis for Argentina indicates a reduction from last year's production of around 10 percent. Conditions in Southern Russia indicate a probable export surplus which may be tentatively estimated at about 30,000,000 bushels or more.

The world wheat carry-over outside of Russia appears to be about 300,000,000 bushels less than last year. Stocks in the principal exporting countries and afloat to the United Kingdom are about 215,000,000 bushels smaller, and those in Europe, including the Danube Basin countries, about 90,000,000 bushels less than a year ago. North African stocks, however, are between 5,000,000 and 10,000,000 bushels larger than last year. With the

increase in production so nearly offset by the reduction in carry-over world prices probably would average about the same as in the past season.

If the July 1 wheat crop prospects in the United States materialize, the new crop together with the carry-over would provide more than 100,000,000 bushels for export and some further adjustment in prices toward a more favorable export basis would have to be made to clear exports of such proportions. However, if rust development and other unfavorable growing conditions reduce the crop materially, the supply might be reduced to a point where a continuation of carry-over stocks somewhat above minimum might hold domestic market prices above those of Liverpool during parts of the 1935-36 season.

Production and Crop Conditions

July 1 conditions in the United States indicated a production of about 731,045,000 bushels of wheat compared with 496,929,000 bushels produced last year and the 5-year average (1928-1932) production of 860,570,000 bushels. Winter wheat production at 458,091,000 bushels would be an increase of about 17,000,000 bushels over last month's forecast. The July estimate of the acreage of winter wheat is about 3 percent above the May estimate because rains during May and June permitted the recovery of some acreage in the hard red winter wheat area that appeared to be dead on May 1. Prospective yields per acre of winter wheat increased slightly during June, most of the increase taking place in the Northern Great Plains States and in the northern half of the soft wheat belt. In much of the Great Plains Region, weather conditions have been unfavorable for harvesting wheat and reports indicate that a considerable proportion of the crop will be of rather poor quality. The production of spring wheat is indicated at 272,954,000 bushels, compared with last year's extremely short crop of 91,377,000 bushels. The 1935 rye production in the United States is indicated at 53,141,000 bushels which is larger than the crop for any year since 1924 and compares with only 16,045,000 bushels in 1934.

A slight reduction occurred in the condition of the spring wheat crop in Canada during June due to damage sustained in parts of southern Alberta and southwestern Saskatchewan. The condition of the crop, however, is well above last year being reported at 96 percent of average on June 30, compared with 97 percent on May 31 and 82 percent of average on June 30, 1934. The condition of winter wheat improved from 88 percent of average on May 31 to 94 percent on June 30 and compares with only 45 percent of average on June 30, 1934. An analysis of weather and yield of wheat in Canada as previously reported indicated a production of 365,000,000 bushels. June conditions have been unfavorable so that the crop may be less than that indicated by the above analysis. Conditions to July 1 indicated a crop of 340,000,000 bushels.

Recent official reports from Canada also indicate some deterioration. The development of rust is reported in Manitoba. Severe drought damage is occurring in southern Alberta but weather conditions have been favorable to the crops in northern Alberta. Drought damage is also reported in the southwestern, west central, and northwestern Saskatchewan.

Crop prospects in Europe improved definitely during June and a harvest somewhat above last year and above the average for 1929-1933 is now probable. On the basis of conditions at the end of June the European crop exclusive of Russia is forecast at 1,581,000,000 bushels compared with 1,534,000,000 bushels harvested in 1934. This would be the second largest crop for Europe, excluding Russia, being exceeded only by the record crop of 1933. This increase over last year is largely the result of fairly good crop prospects in the Danube Basin and some increases for certain European countries, as Italy, Czechoslovakia, Germany, and Austria. Smaller crops are forecast for France, United Kingdom, and the Baltic and Scandinavian countries. A larger rye crop than in 1934 is also in prospect due to the generally favorable conditions in Central Europe and the Danube Basin. Harvesting, except in southern Europe, will not be general for another month, however, and significant changes in prospects may occur.

June was an especially critical month for bread grain crops in most of Europe this year and it turned out to be very favorable for practically all countries except France and some local sections scattered over the Continent. As a result of more seasonable weather with higher temperatures, sunshine and timely rains, crop prospects at the end of June were definitely improved over those of a month ago for most countries. The most marked improvement during the past month was in Italy, Spain, and Poland where very unfavorable conditions had been prevailing.

Crop prospects declined somewhat in France during June as a result of continued rainy weather. In northern France crop conditions are reported good to very good, but elsewhere they appear generally less favorable. Flowering of wheat was rather general during the latter part of June and rain during this critical period was said to have been harmful in some sections. The Paris office of the Foreign Agricultural Service forecast the crop at 312,000,000 bushels compared with 338,513,000 bushels in 1934. In Italy crop prospects improved considerably during June and a harvest about 10 percent above last year is now expected. There is some uncertainty concerning the outturn of the durum crop in southern Italy and in Sicily but with the improved weather conditions some members of the trade believe that a slight increase in the durum crop over last year may be reported. In Germany a crop of wheat and rye somewhat above last year's harvest now seems probable unless weather conditions during the remainder of the season should be unfavorable. A certain deterioration of all winter crops took place during May as a result of the cold, dry, windy weather but the favorable weather during June has improved crop conditions and the delay in growth evident previously is now being made up to a considerable extent. A noticeable recovery in the condition of the grain crops in Poland was reported during June. Warm weather with generally good rains offset the previously observed deterioration of all crops during the very cold and backward spring. Poorest conditions are reported in the northeastern section of the country which is a rye producing region. Conditions at the end of June indicated no significant change from the yield per acre last year for wheat but some decrease appeared

likely for rye. In the United Kingdom conditions are for a crop smaller than last year's notwithstanding a further increase in acreage. The official June 1 report indicated that most crops are backward but little actual damage has occurred and the crops are generally healthy although in need of warm, sunny weather.

The Belgrade office of the Foreign Agricultural Service estimated that the total production in the four Danubian countries would be from 323,000,000 bushels to 330,000,000 bushels compared with a total of 251,283,000 bushels harvested in 1934. A small increase is indicated in Bulgaria but substantial increases are expected in Rumania, Hungary, and Yugoslavia. Unfavorable weather conditions during May delayed normal crop development. At the end of May and early in June, however, high temperatures were combined with repeated and abundant rainfall, which greatly improved the condition of the growing crop, but promoted the development of yellow rust. Since about June 5, the weather has been warm and dry, consequently the danger of rust damage has disappeared.

Grain crop prospects in the U.S.S.R. this year are now generally reported as "very promising". They are said to be much more favorable than during either of the past 2 years. Some reduction of yields because of weeds and in some local districts from poor or below average conditions may occur but very good yields are expected in most regions, especially in the southern export zone. The total acreage sown to wheat this year is now calculated to be nearly 6 percent above last year and around 11 percent above the 1929-1933 average. The rye acreage, however, shows a decrease of around 4 percent from last year. Sowings made rapid progress during the optimum sowing periods, so that a considerably larger acreage was seeded earlier in most regions than during previous years. Likewise the quality of the sowing work is reported to have been better than in former years. The fact that 56 percent of the total spring acreage was sown on fall-plowed land, as compared with only 38 percent in 1934 is an important factor in this connection. It is also indicated that a greater percentage of the spring grain acreage was sown with high-quality seeds.

Crop prospects in North Africa improved during the past month but the indicated total is still nearly 25,000,000 bushels below the 1934 outturn. Egypt and Tunis have forecast crops above last year but Algeria and Morocco expect substantial decreases.

Estimates are available for three Asiatic countries, India, Japan, and Chosen. Increases in production are forecast in each of these countries.

Table 1.-Wheat: Production in specified countries, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	731,045
Canada	443,061	281,892	275,849:1/	365,000
Mexico	9,658	12,122	10,950	(10,950)
Total (3)	1,198,507	822,989	783,728	(1,106,995)
Europe:				
England and Wales	41,253	58,725	65,259	(
Scotland	2,240	3,472	4,144	(2/67,500
Northern Ireland	121	227	363	(
Irish Free State	831	1,983	3,803:2/	4,000
Norway	749	755	1,204:2/	1,100
Sweden	26,500	29,204	28,376:2/	22,000
Denmark	10,997	11,728	12,493:2/	11,900
Netherlands	12,837	15,325	17,196:2/	15,600
Belgium	15,376	15,067	14,322:2/	14,500
France	333,524	362,330	338,513:2/	312,300
Spain	184,207	138,235	173,601	149,545
Luxemburg	719	995	1,171:3/	800
Portugal	23,791	16,281	20,503:4/	12,300
Italy	276,922	297,987	232,687:4/	257,200
Switzerland	5,402	6,623	6,677:4/	6,800
Germany	183,830	205,920	166,541:4/	172,700
Austria	12,193	14,615	13,239:4/	14,300
Czechoslovakia	53,737	72,921	50,014:3/	65,000
Greece	17,067	28,385	28,809:3/	25,000
Poland	49,472	79,883	76,440:2/	77,200
Lithuania	9,423	8,185	10,475:2/	9,700
Latvia	5,292	6,725	8,051:2/	6,800
Estonia	2,085	2,451	3,107:2/	2,400
Finland	1,483	2,460	3,327:2/	3,100
Malta	301	305	310:3/	300
Albania	1,554	2,380:3/	(2,000):3/	2,000
Total (26)	1,271,906	1,383,167	1,[illegible]	1,254,045
Bulgaria	48,125	55,454	41,578:5/	48,700
Hungary	64,463	96,356	64,824:5/	81,800
Rumania	55,537	119,072	76,553:5/	112,100
Yugoslavia	53,444	96,582	68,338:5/	84,500
Total (4)	221,569	367,464	251,283	327,100
Total Europe (30)	1,493,475	1,750,631	1,533,908	1,581,145
Africa:				
Algeria	29,237	31,998	43,528	32,444
Morocco	27,970	28,902	39,683:4/	17,750
Tunis	17,453	9,186	13,779:4/	17,300
Egypt	52,586	39,951	37,277	43,137
Total (4)	127,246	110,037	134,267	110,631

Continued-

Table 1.-Wheat: Production in specified countries, 1932-33 to 1935-36 - Continued

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Asia:				
Palestine	1,877	1,633	3,050	(2,500)
Syria and Lebanon	9,849	13,476	14,540	(13,500)
India	336,896	352,987	349,365	366,725
Japan	31,336	40,376	47,660	49,089
Chosen	8,576	8,887	8,863	8,965
Turkey	68,977	99,637	88,546	(90,000)
Total (6)	457,511	516,996	512,024	(531,000)
Total 43 countries	3,276,739	3,200,653	2,963,927	(3,330,000)
Estimated Northern Hemisphere total excluding Russia and China	3,331,000	3,241,000	3,009,000	3,376,000
Southern Hemisphere:				
Argentina	240,889	286,120	238,317	(200,000)
Australia	213,927	177,566	135,000	(135,000)
Union of South Africa	10,627	11,590	15,343	(15,000)
Estimated world total excluding Russia and China	3,854,000	3,787,000	3,456,000	(3,787,000)

Compiled from official sources except as otherwise noted.
1/ Based on weather conditions.
2/ Estimated in the Berlin office of the Foreign Agricultural Service.
3/ Unofficial.
4/ Estimated in the Paris office of the Foreign Agricultural Service.
5/ Includes spelt.
6/ Estimated in the Belgrade office of the Foreign Agricultural Service.

Prospective Wheat Supplies and International Trade

World supplies of wheat outside of Russia and China for the 1935-36 season now seem likely to be above those of last year by about 30,000,000 bushels, but the world wheat carry-over on July 1, 1935 outside of Russia appears to be about 300,000,000 bushels less than a year earlier. This would be about 225,000,000 bushels above the average in former years. Stocks in the principal exporting countries for export or carry-over, together with United Kingdom port stocks and stocks afloat are estimated at about 213,000,000 less than a year ago. European stocks including the Danube Basin countries are estimated to be about 94,000,000 bushels less. North African stocks, on the other hand, are placed at 7,000,000 or 8,000,000 bushels more than a year ago.

The supply situation in importing Europe appears to have been improved during the past year. Stocks appear to be about 60,000,000 bushels below the high level of a year earlier, but are still about 50,000,000 bushels above the average for 1922-1928. A decrease in production in importing Europe also seems likely. This decrease is estimated to be about

29,000,000 bushels. In the case of Danubian stocks, it is estimated that stocks are about 34,000,000 bushels under a year ago but crop prospects are about 76,000,000 bushels better, making a net increase of about 42,000,000 bushels. In 1933 when these Danubian countries produced 367,000,000 bushels, compared with the estimate for this year of 327,000,000 bushels, they exported 35,000,000 bushels.

Canada promises to continue the leading exporter of wheat during the 1935-36 season, with carryover stocks estimated at about 209,000,000 bushels and a crop which may turn out to be in the neighborhood of 340,000,000 to 365,000,000 bushels, making a total of 549,000,000 to 574,000,000 bushels. Deducting from the higher figure 106,000,000 bushels for domestic utilization would leave 468,000,000 bushels for export or carry-over. With the passage of the recent Canadian wheat bill, which provides for selling of surplus supplies, it appears that Canada will take an active part in the export trade during the season.

It is altogether likely that Russia will be back in the market this year in view of good crop prospects. Under favorable conditions, Russia might be expected to export 30,000,000 bushels or more. With present crop indications, North Africa might export 4,000,000 bushels.

The total potential surplus, accordingly, during the next 6 months, for Canada, United States, the Danube Basin countries, Russia, and North Africa might be in the neighborhood of 550,000,000 bushels.

A 10 percent decrease in production in Argentina would result in only about 300,000,000 bushels for export or carry-over in the Southern Hemisphere. Exportable surpluses from current production of these countries do not become available for world trade until about January and therefore figure only in the last half of the trading season. Totaling both parts of the marketing year, the potential world surplus appears to be in the neighborhood of 850,000,000 bushels.

The reduction in European stocks and prospects for a smaller crop in the importing countries point to the probability of larger world shipments in 1935-36 than during the past year. Largely due to the probability of increased shipments to Continental Europe, total world shipments of wheat from the four principal exporting countries, the Danube Basin countries and Russia may reach 600,000,000 bushels. Shipments from these same countries in 1934-35 were about 550,000,000 bushels. For 1935-36 a somewhat larger demand for wheat in the Orient appears probable due to prospects of reduced production.

Table 2.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, July 1, 1932 - 1935

Position	July 1			
	1932	1933	1934	1935 prel.
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	385	393	289	160
Canadian wheat	5	4	10	9
Canada:				
Domestic wheat	153	230	208	1/ 209
United States wheat	16	4	0	0
Argentina	36	61	107	62
Australia	45	53	81	52
Total	640	745	695	492
United Kingdom port stocks:				
Wheat	10	12	13	10
Flour (as wheat)	1	1	2	
Afloat for United Kingdom	16	15	13	11
Afloat for Continent	19	8	10	11
Afloat for orders	10	8	10	6
Total	56	44	48	38
Grand total	696	789	743	530

1/ Production plus carry-over less exports and domestic utilization, which is the same method used in the case of Argentina and Australia.

Government Policies Affecting Bread Grains in 1935-36

No marked changes in Government policy in European countries for the 1935-36 season with respect to bread grains now appears likely. It is now fairly certain that in Poland the Government organization will continue to make supporting purchases in the market another season when it appears necessary, though not to the extent that it has during the past two seasons. A continuance of the Polish export premium system is also expected. The Czechoslovakian Grain Monopoly has large stocks of grain on hand at present and a very good crop is in prospect so that the problem of market support and fixed prices will become increasingly difficult another season. In Spain a new plan for Government purchases of most of the surplus carry-over is being considered. The French Government is still actively engaged with the disposal of its surplus and additional export licenses are expected to be issued shortly in accordance with the quota allotted at the recent London Wheat Advisory Committee meeting. Consideration is also reported being given in certain French quarters to the problem of the removal of new surpluses if they arise and it is being advocated that a certain part of all farm deliveries be set aside for export at world market prices. Danubian Governments are actively engaged in establishing agreements with importing countries in connection with the marketing of the 1935 surpluses. The preparation of relief systems for 1935-36 is also in progress by the Danubian Governments.

Wheat Prices

During the period of price adjustment thus far experienced the margin of Chicago July futures over Liverpool July futures narrowed from about 17 cents in mid-April to about 2 cents for most of the last half of June. Owing to reports of rust, however, the margin has since widened again, being about 10 cents on July 13. From June 12 to 27 wheat prices in the United States fluctuated between relatively narrow limits following the adjustment from a deficiency to a surplus basis which started about April 22. Reports of infestation of rust in the spring wheat area, however, caused prices to rise sharply on June 28 when Chicago futures rose about 4-3/4 cents, and again on July 9 when they rose about 4 cents. Between these dates Chicago future prices suffered a decline of 7 cents in two days caused by the passing on July 4 of the Canadian wheat bill, which among other things provided for the selling of the accumulated Canadian surplus stocks.

Average farm prices of wheat in the United States declined from 88 cents per bushel on May 15 to 77 cents on June 15. Last year the June 15 farm price was 79 cents. No. 2 Hard Red Winter at Kansas City dropped from 103 cents for the week ended May 18 to 88 cents for that ended June 15, and No. 1 Dark Northern Spring at Minneapolis from 118 cents to 106 cents for the same period. For the week ended July 6 the former averaged 93 cents and the latter 111 cents. Prices for other dates and markets are shown in Table 5.

With world wheat supplies indicated as somewhat larger than a year ago and with no downward adjustment in import restrictions, there is little likelihood that world prices will average higher in 1935-36 than the year before. Growing conditions, however, could materially alter the general prospects, especially in the Southern Hemisphere where the planting season has been greatly retarded and weather conditions have been unfavorable.

Table 3.-Wheat: Closing Saturday prices of September futures 1/

Date	Chicago		Kansas City		Minneapolis		Winnipeg 2/		Liverpool 2/		Buenos Aires 3/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1935	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 4/	104	102	96	100	104	104	85	5/ 85	80	87	5/ 58	e/ 64
Low 4/	76	79	68	76	73	81	67	5/ 80	69	70	5/ 54	e/ 56
June 15	96	80	87	76	96	81	80	5/ 82	76	78	5/ 55	e/ 60
22	93	80	86	77	94	82	81	5/ 83	76	79	5/ 55	e/ 60
29	91	86	84	83	92	88	79	5/ 83	75	79	5/ 55	e/ 61
July 6	90	79	84	78	91	83	79	5/ 80	75	70	5/ 54	e/ 56

1/ October futures for Winnipeg and Liverpool. 2/ Conversions at noon buying rate of exchange. 3/ Prices are of day previous to other prices.
4/ April 1 to date, Buenos Aires May 9 to date, Winnipeg June 14 to date for 1935. 5/ August futures.

Table 4.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	104	115	96	107	110	121	119	138	98	100	83	88
Low 3/	79	93	70	85	81	102	87	98	73	85	69	73
June 15..	101	97	93	89	105	106	114	104	95	86	81	73
22..	93	93	87	85	101	102	111	100	90	85	78	73
29..	90	96	88	87	99	103	105	104	90	86	76	75
July 6..	89	100	88	93	97	111	110	102	89	90	74	78

1/ Amber Durum through June 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ April 1 to date.

Table 5.- Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, April - July 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May 4	103.5	120.4	80.0	62.6	77.2	68.0	229	141	245
11	103.0	119.3	79.0	62.2	77.4	69.2	228	144	245
18	102.5	118.5	78.4	62.1	76.8	72.0	228	143	251
25	99.5	117.2	77.2	60.8	75.7	72.5	228	142	257
June 1	93.5	108.7	74.2	59.2	77.4	72.7	229	143	265
8	91.0	107.8	74.6	60.9	79.7	72.6	229	140	247
15	89.0	105.9	73.0	60.1	78.3	72.7	228	9/138	244
22	85.2	102.4	74.2	59.9	78.0	72.7			
29	87.3	103.4	73.3	59.5	77.8				
July 6	93.4	110.9	72.8	58.1	75.4				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

Prospective Wheat Supply and Utilization by Classes for 1935-36

An analysis of the prospective supply and utilization of wheat indicates that if the July estimates are realized we are likely to have not only adequate supplies of each class to satisfy probable utilization during 1935-36 but also a surplus in most classes. A month ago it appeared that the potential surplus would be largely of white wheat localized in the Pacific Northwest, with a small surplus east of the Rockies consisting principally of soft red winter. On the other hand a shortage of hard red winter wheat appeared possible and hard spring and Durum appeared only about ample for current requirements. The situation has changed materially, however, with July 1 prospects of a 60,000,000 bushel larger production, involving an improvement in both winter and spring wheat prospects, and some deterioration in white wheat prospects.

Preliminary estimates of the prospective supply and utilization of wheat by classes, for the coming year, based on July 1 indications is shown in the following table.

Table 6.- Wheat: Prospective supply and utilization by classes, 1935-36

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Carry-in	60	35	36	4	20	155
Production	219	188	206	40	78	731
Total domestic supply	279	223	242	44	98	886
Domestic utilization 1/	220	175	145	35	60	635
Available for carry-over and export	59	48	97	9	38	251
Carry-out (minimum) 2/	41	15	65	9	20	150
Surplus	18	35	32	0	18	101
Average utilization 1929-30 to 1933-34 3/	300	176	136	36	66	714

1/ Does not include wheat ground into flour for export.
2/ "Minimum" under an acreage control program.
3/ Includes wheat ground into flour for export.

* Complete carry-over figures for July 1 are not as yet available but it seems likely that stocks were around 155,000,000 bushels. Production of 731,000,000 bushels based on July 1 conditions has been used in the table, which includes 273,000,000 bushels of spring wheat. It is altogether possible that the spring wheat production will be greatly reduced as a result of black rust damage in addition to the usual crop hazards during the rest of the growing season.

The estimate of domestic utilization for the year includes 495,000,000 bushels for milling, 75,000,000 for seed and 65,000,000 for feed. The item for feed is somewhat higher than usual because it is felt that, with wheat prices near an export basis and relatively higher corn prices, there is likely to be an increase in the amount of wheat used for feed, expecially during the early part of the season prior to corn harvest.

If carry-over stocks and crop prospects are borne out and assuming a 635,000,000 bushel disappearance, it appears that there would be about 251,000,000 bushels available for carry-over at the end of the year and for export. Under an acreage control program it is altogether likely that more than the 126,000,000 bushels, which was the average prior to years of large surpluses, would be carried over. If 150,000,000 bushels were carried over this would leave about 100,000,000 bushels for export.

If our exports should be as much as 100,000,000 bushels, they could consist of approximately 32,000,000 bushels each of soft red winter and hard red spring and about 18,000,000 bushels each of white wheat and hard red winter. Supplies of amber durum would probably be readily absorbed by the milling trade and used to replenish depleted stocks, whereas the red durum would probably be fed on farms or used in commercial feeds.

If our exports should be less than 100,000,000 bushels, it is probable that the additional carry-over stocks would be mostly of hard red spring. It is conceivable that relatively little of that class might be exported. Moreover, it is very possible that larger amounts than are shown, especially of the red winter wheat, might be fed. Current reports indicate a high percentage of moisture in wheats being marketed in the Southwest.

Estimates of utilization by classes were based largely on disappearance data during the last 6 years, (See Table 7) taking into consideration prospective milling qualities by classes, location of supplies, likelihood of feeding different kinds of wheat, etc. Although what seemed to be the most reasonable utilization figure was assigned to each class of wheat, it should be borne in mind that a considerable amount of substitution of similar wheats is possible depending largely upon price relationships.

Table 7.- Wheat: Supply and distribution by classes, average 1929-30 to 1933-34, annual 1930-31 to 1934-35

Item	Average 1929-30 to 1933-34	1930-31	1931-32	1932-33	1933-34	1934-35
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
	All wheat					
Stocks, July 1 :						
On farms	64	60	38	93	82	60
Country mills and elevators	47	60	30	42	64	51
Commercial	140	109	204	168	124	81
In mills	65	59	41	72	107	83
In transit	14	15	12	10	16	14
New crop	784	890	932	746	529	497
Total supply	1,114	1,193	1,257	1,131	922	786
Exports 1/	61	76	97	21	19	2/3/11
Disappearance 4/	714	792	775	717	614	2/ 642
Carry out	339	325	385	393	289	2/ 155
	Hard red winter					
Stocks, July 1:						
On farms	26	24	12	52	33	23
Country mills and elevators	15	14	11	20	20	12
Commercial	73	45	105	111	69	40
In mills	34	28	17	42	61	50
In transit	7	7	5	6	9	8
New crop	349	403	516	280	169	201
Total supply	504	521	666	511	361	334
Exports 1/	39	47	76	17	0	2/ 2
Disappearance 4/	300	324	359	302	228	2/ 272
Carry out	165	150	231	192	133	2/ 60
	Soft red winter					
Stocks July 1:						
On farms	14	11	9	27	12	13
Country mills and elevators	7	8	5	10	8	6
Commercial	7	6	7	17	3	7
In mills	6	6	4	9	9	9
In transit	2	2	1	1	1	2
New crop	179	179	255	150	148	168
Total supply	215	212	281	214	181	205
Exports 1/	1	2	2	0	0	2/ 0
Disappearance 4/	176	184	215	181	144	2/170
Carry out	38	26	64	33	37	2/ 35
	Hard red spring					
Stocks, July 1:						
On farms	15	15	10	7	26	16
Country mills and elevators	11	18	5	4	14	12
Commercial	44	43	62	30	45	29
In mills	18	19	14	16	27	19
In transit	4	5	5	2	4	3
New crop	135	161	70	191	109	54
Total supply	227	261	166	250	225	133

Continued -

Table 7.- Wheat: Supply and distribution by classes, average 1929-30 to 1933-34, annual 1930-31 to 1934-35 - Cont'd.

Item	Average: 1929-30: to 1933-34	1930-31	1931-32	1932-33	1933-34	1934-35
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Stocks, July 1: Cont'd.			Hard red spring -cont'd.			
Exports 1/	1	1	0	0	0	2/3/ 10
Disappearance 4/	136	164	107	134	146	2/ 107
Carry out	90	96	59	116	79	2/ 36
			Durum			
Stocks, July 1:						
On farms	4	6	3	2	5	2
Country mills and elevators	4	7	1	1	3	2
Commercial	13	14	23	9	4	2
In mills	1	1	1	1	1	1
In transit	0	0	0	0	0	0
New crop	39	59	21	42	18	8
Total supply	61	87	49	55	31	15
Exports 1/	7	12	5	2	0	2/3/ 6
Disappearance 4/	36	47	31	40	23	2/ 17
Carry out	18	28	13	13	8	2/ 4
			White			
Stocks July 1:						
On farms	5	4	4	5	6	6
Country mills and elevators	10	13	8	7	19	19
Commercial	3	1	7	1	3	3
In mills	6	5	5	4	9	4
In transit	1	1	1	1	2	1
New crop	82	88	70	83	85	66
Total supply	107	112	95	101	124	99
Exports 1/	13	14	14	2	19	2/ 3
Disappearance 4/	66	73	63	60	73	2/ 76
Carry out	28	25	18	39	32	2/ 20

1/ Does not include flour. 2/ Preliminary estimate. 3/ Net imports.
4/ Includes wheat ground into flour for export and shipments to possessions of the United States which in 1934-35 amounted to the equivalent of about 7,000,000 bushels of wheat, of which about 5,000,000 bushels were white and 2,000,000 hard red winter.

The European Wheat and Rye Market Situation During June 1/

European demand for overseas wheat during the month of June was only of moderate volume, with a rather limited buying interest shown on the part of the United Kingdom. A fair volume of business was done in the Netherlands and in Belgium, and there were some takings of overseas wheat by Italy and Austria. Italian imports, however, did not come up to earlier expectations,

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attache', Berlin, L. D. Mallory, Assistant Agricultural Attache', Paris, Louis G. Michael, Agricultural Attache', Belgrade, and Edward E. Foley, Agricultural Attache', London. All price quotations have been converted at current rates of exchange.

having been checked by improved production prospects and the beginning of harvest in the south. Demand for domestic wheat in Europe also moved along conservative lines during the month. The grain and especially the flour business continued very unsatisfactory in Czechoslovakia.

Prices of overseas wheat in Europe during June, and particularly the first half, showed marked resistance to the otherwise declining world market tendency. Pressure on the Liverpool market, however, was somewhat relieved by increased takings by continental countries. Both direct shipments and diversions to the continent rose much above those of last year. Prices of domestic wheat in Europe, where free and not fixed, tended downward in several countries, including Italy, France, and Poland. In Italy, the improved crop outlook and progressing harvest in the south brought a decided downward reaction in domestic prices during the month. Firm prices, on the other hand, prevailed in those countries where domestic supplies were being reduced to small amounts and where quotations had not been bullish previously, i. e., in Austria and the Scandinavian countries.

United Kingdom

Trading and prices on United Kingdom markets tended to "mark time" during most of June. Demand for forward purchases was generally poor. Factors tending to improve prices were reduced offerings, especially from the Southern Hemisphere, and the diversion of shipments, notably "orders", to continental markets, and early in the month to good spot sales, and the lifting of hedges. This latter situation resulted in a strengthening of the July futures to a premium over October which is said not to have occurred for a near future wheat at Liverpool since December 1932. Factors tending to weaken the market were improved crop prospects in many countries, especially in North America, and prospects of renewed French offers. The average price of all reported sales of wheat parcels in British markets was little changed during most of the month.

Despite reduced supplies of Plate wheats, the price spread between them and Australian and Canadian wheat continued to be quite large and favorable for purchases of Argentine varieties. Some narrowing of the spread was noted, however. Wheat parcel offers at Liverpool of No. 2 Manitoba, June, were quoted at 90 cents per bushel for Rosafe (63½ lbs.), July, 72 cents, and South Australian, afloat, 81 cents. Offerings of domestic English wheat appeared to be very limited and will continue small until the coming harvest. French and Swedish wheats are not being offered at present, and Danubian wheat is too high compared with other offerings. Imports of wheat and flour into the United Kingdom show a significant decline over last year and recent years. This is an unusual development for the United Kingdom market, which has maintained great stability with respect to annual takings.

Germany

Trading in the grain market was quiet during the month, although

buying interest for high-gluten content wheat by flour mills was in much evidence, due to relatively favorable sales of wheat flour, notably in southern Germany. Trading in foreign wheat was very small and offerings on the part of farmers were reduced because of increased seasonal farm work.

Italy

Prices of domestic wheat in Italy after a short advance during May declined during June to late April levels. The advance in May was caused by the growing shortage of domestic stocks and the somewhat poor crop prospects at the time. The decline during June, on the other hand, was due at least in part to the announcement by the Government that the crop would be considerably above last year and to purchases of foreign wheat by the Import Organization to supplement current stocks.

France

Purchases for domestic use continued unrestricted with millers buying only for current needs. Some increased activity was noted, especially in North African wheat, during the monetary crisis, but this movement soon subsided. Exportation was slow and in small volume due largely to the exhaustion of licences. Another export authorization, however, amounting to 3,674,000 bushels is expected shortly by members of the grain trade. Prospects for the coming crop had little influence on prices during the month.

Belgium and Netherlands

A fair amount of current business was done in Belgium and Netherlands during June. Prices did not show much fluctuation, and Belgian as well as Dutch flour mills continued their buying of Plates and some Manitobas. It was reported that Holland supplemented her previous purchase of 236,000 bushels of Polish rye by another purchase of 905,000 bushels. Part of this grain is to be imported on a compensation basis.

Czechoslovakia

A continuance of the very unsatisfactory state of trade in wheat flour as well as wheat and rye was reported from Czechoslovakia during the month of June. Stocks of wheat and flour in the country continued heavy, and it appears that there will probably be no foreign imports for some time to come. The Grain Monopoly stocks on June 5, 1935 amounted to 11,550,000 bushels of wheat and 5,295,000 bushels of rye. Beginning with June 10, the sur-tariffs on wheat and rye were reduced from 16 to 11 and from 29 to 27 cents per bushel, respectively.

Austria

A firm tendency prevailed throughout the month of June on the Austrian wheat market. It is expected that Austria will take over an appreciable share of the Hungarian new crop surplus, in accordance with the Rome arrangements. It is also considered possible that some sort of compensation deal for Hungarian wheat will be made in connection with the travel of Hungarians in Austria.

Denmark

A small wheat price rise occurred at Copenhagen during the first half of June, following slight price declines at the end of May. Wheat was quoted at that market in mid-June at from 66 to 69 cents per bushel. French and Swedish wheats were almost completely lacking on the Copenhagen market, but some transactions in Polish wheat were recorded during the first half of the month.

Sweden

Transactions in the grain market during June remained relatively small. Offerings were moderate and quotations on the free market reached the limit of guaranteed prices. At the beginning of June, wheat was traded at $1.224 to $1.231 per bushel and rye at $1.078 to $1.085. Small purchases of Manitoba wheats were recorded during the first half of the month.

Spain

A better tone has appeared in the market following the submission of a new storage stock plan for the wheat surplus, but prices have continued at about the same level as in earlier months.

Poland

The somewhat improved conditions on the Polish grain market noted last month continued during the first half of June. Although no supporting purchases were made by the Grain Company in June, prices had only a slightly declining tendency. Some exports of rye to the United States as well as Holland contributed to the more favorable tendency at the beginning of the month, and the wheat market benefited from some export sales to Denmark. Some re-export of Polish rye from the United States, however, indicates that further exports of important quantities to that country are improbable.

Danube Basin countries

Exports from the Danube Basin from July 1, 1934 to June 30, 1935 total about 21,194,000 bushels, which leaves a statistical balance of about 8,201,000 bushels as of June 30, 1935 from the estimated 29,395,000 bushels surplus. This statistical balance is practically equal to the quantity of commercial wheat that will be carried over on July 1. The largest carry-over, about 4,409,000 bushels, is in Yugoslavia. Most of this wheat is weevil-infested and will be consumed locally. About 2,939,000 bushels of good export grade wheat will be carried over in Hungary and about 735,000 bushels of low grade wheat in Rumania.

The Rumanian Government Wheat Commissioner began to liquidate stabilization stocks in April, when relatively small quantities were exported to England and other countries. In May and June exports became large, when most of the wheat was exported to Italy. The Bulgarian Grain Monopoly has also sold the small surplus from 1934-35

operations. Two parcels of 184,000 bushels each were sold in May for export.

During May and June Hungary exported relatively small quantities of wheat to Switzerland, Austria, and Italy. Stocks on grain dealers' hands have been depleted in that country and no important transactions are made for export until the conclusion of pending international barter agreements. Yugoslavian exports during May and June were insignificant partly on account of the low quality of existing Yugoslavian wheat stocks which is due to weevil damage, partly on account of the lack of outlets at the relatively high internal prices.

Danubian markets were characterized during June by keen demand from grain dealers and millers and a marked scarcity of offers, which resulted in firm prices. Danubian farmers are unwilling to part with their stocks until Government relief systems for the new crop are established

Danubian Governments are actively engaged in establishing agreements with importing countries in view of the marketing of 1935 surpluses. The preparation of relief systems for 1935-36 is also in progress.

In Bulgaria the President of the Council of Ministers declared on June 1, that the Government Grain Bureau will continue to operate during 1935-36. In Hungary the system of minimum wheat prices based on international agreements, which gave satisfactory results last year, will be continued in 1935-36. At present negotiations are in progress with Italy, which are expected to be concluded before the middle of June. It is rumored that Italy has consented to take 7,349,000 bushels of Hungarian wheat during 1935-36 at fixed prices, along the same conditions as last year, 3,674,000 bushels. Negotiations with Austria on the basis of the Rome agreement of May 15, 1934, will follow after the contract with Italy is concluded. It is expected that Austria will contract for 8,084,000 bushels of Hungarian wheat and wheat flour. A continuation of exports to Switzerland and Germany is thought to secure sufficient outlets for the remainder of the 1935 Hungarian wheat surplus. Negotiations with Czechoslovakia are also near conclusion and it is probable that some wheat will be marketed in that country on a barter basis.

As regards current barter transactions, in addition to the first 367,000 bushels Swiss barter quota for Hungarian wheat, the delivery of which was completed at the beginning of June, another 367,000 bushels quota has been obtained for delivery until July 30. A so-called "private compensation" transaction, i.e. direct barter between exporter and importer, without Government intermediary, has been concluded between an Italian artificial silk concern and the Hungarian Export Institute, for the exchange of Italian artificial silk yarns against Hungarian farm products, inclusive wheat.

In Rumania, the Government has recently announced that price stabilization purchases will be continued during 1935-36. The necessary funds will be made available by means of a flour tax. In order to promote exports, an "economic premium" will be paid on the foreign credit proceeds resulting from sales abroad. This premium will be of 40 percent in the case of wheat,

according to present information. No premiums will be paid for exports to countries with which private-clearing agreements are in existence, i.e. to Austria, Czechoslovakia, Germany, Greece. These premiums will be covered from the sale of foreign credits by the National Bank, to importers at increased exchange rates. An initial revolving fund of $5,039,000 will be advanced by the National Bank in order to avoid delays in the payment of these premiums.

The Rumanian Government has recently concluded a new commerical agreement with Germany, which provides for the barter of Rumanian agricultural products against German goods and becomes retrospectively valid beginning from April 1, 1935.

Rumanian commercial wheat usually contains a large percentage of admixtures and weed seeds. In order to remedy this inconvenience the Rumanian Government has obtained a German credit in view of the erection and operation of cleaning plants in Rumania. These plants will be operated by cooperatives. The importation of 75 large capacity screens from Hungary against Rumanian timber has also been decided.

Yugoslavia, conducts negotiations with Germany in view of a barter transaction; It is expected that only a part of this year's surpluses will find markets in Central Europe at relatively good prices on a barter basis, whereas, large quantities will have to be marketed on Western markets at unsatisfactory prices.

Table 8.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35 1/

Period	Wheat		Wheat flour		Wheat inc. flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept. 29	133	108	152	221	847	1,147
Sept. 30 - Oct. 27	13	58	121	190	581	952
Oct. 28 - Dec. 1	932	147	165	217	1,707	1,167
Dec. 2 - Dec. 29	3,393	30	198	185	4,323	899
Dec. 30 - Feb. 2	2,915	16	266	137	4,165	660
Feb. 3 - Mar. 2	3,295	4	202	119	4,244	563
Mar. 3 - Mar. 30	2,257	8	163	107	3,022	511
Mar. 31 - Apr. 27	4,370	12	201	127	5,314	608
Apr. 28 - June 1	1,704	20	156	155	2,437	749
June 2 - June 30	95	4	70	140	424	663

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 9.- Wheat: Production, disposition, farm value, gross income and cash income, average, United States, 1928-1932

State	Production	Disposition: Used for seed	Disposition: Fed to livestock	Disposition: Ground at mills for home use or exchange for flour	Disposition: Sold (or for sale)	Farm price per bushel	Farm value	Gross income	Cash income
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Dollars	1,000 dollars	1,000 dollars	1,000 dollars
Me.	51	6	14	4	27	1.21	62	38	33
Vt.	15	1	7	1	6	1/ 1.18	17	7	6
N.Y.	4,411	413	1,503	69	2,426	.91	3,961	2,303	2,242
N.J.	1,165	87	581	10	487	.92	1,058	464	455
Pa.	17,387	1,714	6,101	771	8,801	.90	15,377	8,581	7,939
Ohio	30,480	2,883	8,828	739	18,030	.83	21,667	13,615	13,059
Ind.	26,522	2,589	6,276	354	17,303	.79	18,028	12,230	12,000
Ill.	32,532	2,916	3,739	238	25,639	.78	23,800	19,204	19,056
Mich.	15,523	1,329	4,979	513	8,702	.81	11,862	7,468	7,119
Wis.	1,869	170	948	130	621	.81	1,516	661	562
Minn.	20,946	2,129	3,643	418	14,756	.73	15,428	11,498	11,247
Iowa	7,445	602	1,662	110	5,071	.72	5,677	4,123	4,059
Mo.	20,363	2,104	5,146	346	12,767	.78	15,084	10,364	10,139
N.Dak.	102,303	13,698	6,332	678	82,295	.66	71,492	58,785	58,460
S.Dak.	37,672	4,884	6,676	235	25,787	.65	23,941	17,128	16,987
Nebr.	56,538	3,991	5,331	536	46,680	.64	38,384	32,998	32,706
Kans.	177,431	13,259	15,280	449	148,443	.65	112,817	96,654	96,459
Del.	1,800	162	276	26	1,336	.85	1,580	1,232	1,211
Md.	8,648	714	1,170	244	6,520	.85	7,483	6,005	5,816
Va.	9,220	848	2,074	1,356	4,942	.93	8,413	5,881	4,644
W. Va.	1,643	171	552	173	747	.96	1,518	895	736
N.C.	3,653	423	499	1,297	1,434	1.06	3,849	2,926	1,582
S.C.	575	73	84	309	109	1.11	608	453	122
Ga.	511	67	57	192	195	1.16	559	429	193
Ky.	3,002	328	579	174	1,921	.92	2,320	1,613	1,468
Tenn.	2,918	340	649	458	1,471	1.01	2,842	1,902	1,480
Ala.	34	4	5	3	22	1.02	30	22	18
Miss.	3	---	2/	2/	3	3/1.65	4	4	4
Ark.	247	36	64	9	138	.84	179	108	101
Okla.	55,145	4,000	5,909	189	45,047	.67	36,348	30,547	30,455
Tex.	41,083	2,918	2,598	144	35,423	.70	26,744	23,275	23,212
Mont.	45,167	5,848	3,581	294	35,444	.64	30,410	24,447	24,277
Idaho	27,028	1,729	5,959	160	19,180	.63	17,914	13,303	13,225
Wyo.	3,753	456	900	39	2,358	.62	2,524	1,725	1,704
Colo.	17,111	2,009	3,226	150	11,726	.63	11,464	8,214	8,135
N.Mex.	4,148	415	227	45	3,461	.69	2,533	2,134	2,109
Ariz.	602	33	77	2	490	1.02	577	484	482
Utah	5,554	405	1,200	234	3,715	.72	4,079	3,007	2,852
Nev.	378	21	199	5	153	.96	360	154	150
Wash.	42,882	3,854	3,542	60	35,426	.74	31,977	26,613	26,582
Oreg.	21,205	1,845	2,149	48	17,163	.73	16,035	13,238	13,210
Calif.	11,047	1,163	485	7	9,392	.89	10,280	8,771	8,766
U. S.	860,570	80,537	113,107	11,269	655,657	.69	600,801	473,503	465,062

Compiled from records of the Division of Crop and Livestock Estimates.
1/ Four year average. 2/ Less than 500 bushels. 3/ One year.

Table 10.-Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1934-35

Country	Exports as given by official sources: Total 1931-32	Total 1932-33	Total 1933-34	July 1 to date shown 1932-33	July 1 to date shown 1933-34	July 1 to date shown 1934-35	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	39,505	35,587	20,337	May 31
Canada	199,563	267,342	198,555	267,342	198,555	169,630	June 30
Argentina	144,920	120,272	144,849	120,272	144,849	187,000	June 30
Australia	155,451	148,552	86,509	118,608	68,154	82,060	Mar. 31
Russia	71,829	19,676	33,787	18,617	29,668	3,507	Jan. 31
Hungary	18,064	7,010	29,615	5,435	23,574	8,855	Mar. 31
Yugoslavia	15,369	1,162	839	1,152	536	3,888	Mar. 31
Rumania	37,481	179	248	179	242	0	Mar. 31
Bulgaria	11,795	3,144	4,769	2,181	2,879	7	Dec. 31
British India (L & S)	3,870	2,169	2,084	1,546	1,629	1,820	Mar. 31
Total	794,139	610,717	538,257				

	Shipments as given by trade sources: Total 1933-34	Total 1934-35	Week ended - 1935 June 1	June 8	June 15	June 22	June 29
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 1/	220,616	168,712	3,800	1,768	1,856	2,120	2,928
Canada, 4 markets 2/	194,213	176,059	2,806	4,188	2,684	1,664	2,820
United States	37,002	20,259	119	132	301	108	122
Argentina	140,128	186,228	3,576	3,360	3,048	2,108	3,124
Australia	90,736	111,628	2,056	1,204	1,660	908	2,024
Russia 3/	26,656	1,696	0	0	0	0	0
Danube and Bulgaria 3/	15,872	4,104	128	696	320	744	328
British India	4/ 2,084	312	0	0	0	0	0
Total 5/	496,092	472,680					
Total European shipments 1/	401,560	387,752	8,792	7,088	6,344	5,768	7,368
Total ex-European shipments 1/	123,352	142,424	2,680	2,136	2,112	1,696	2,216

1/ Broomhall's Corn Trade News.
2/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
3/ Black Sea shipments only.
4/ Total exports as given by official sources.
5/ Total of trade figures includes North America as reported by Broomhall's.

Table 11.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1933-34 and 1934 -35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	----	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	---	248	20,568	21,144
Sept. 2-Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30-Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Oct. 28-Dec. 1	4,884	17,036	6,488	11,208	3,424	128	26,936	18,176
Dec. 2-Dec. 29	5,016	8,744	8,064	7,632	1,848	40	14,664	8,640
Dec. 30-Feb. 2	14,236	19,660	11,936	13,052	1,232	8	22,232	10,824
Feb. 3-Mar. 2	14,944	18,108	8,104	10,192	368	---	15,888	10,224
Mar. 3-Mar. 30	17,768	14,716	6,868	11,384	248	8	14,808	9,808
Mar. 31-Apr. 27	10,848	13,752	5,376	9,144	2,320	8	14,880	11,120
Apr. 28-June 1	13,432	19,316	6,580	11,388	2,048	1,384	22,768	17,976
June 2-June 30	15,728	11,640	8,128	5,796	544	2,088	15,112	8,672
Total, July 1-June 30	140,128	186,228	90,736	111,628	15,872	4,104	220,616	1/ 168,712

Compiled from Broomhall's Corn Trade News.

1/ Includes wheat shipped from Canada to the United States. Complete weekly details are not available.

Table 12.-Wheat: Stocks in specified continental European countries, May 15 and June 15, 1934 and 1935

Position	1934		1935	
	May 15	June 15	May 15	June 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
12 principal continental ports (including following)	7,110	6,408	5,706	---
Antwerp	3,491	2,906	2,921	1,837
Rotterdam	2,296	1,705	919	698
Germany-				
Berlin (wheat and flour) 1/	2,767	2,741	3,108	3,061
"Second-hand" stocks- (wheat and flour) 1/ 2/	55,534	53,259	68,732	3/ 47,223
Farm stocks 1/	28,733	19,511	17,306	10,215
Other-				
Swedish mills stocks of wheat 1/	3,638	3,891	3,979	4,059

1/ First of month.

2/ In warehouses and flour mills, domestic wheat and flour as well as foreign duty paid and duty-unpaid. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills and therefore must contain most of the Berlin data.

3/ Preliminary.

Table 13.--Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported: July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	May 31	199	185
Germany	9	1/ -4	May 31	1/ -5	11
Italy	13	8	Mar. 31	5	5
France	39	18	Feb. 28	14	1/ -7
Belgium	41	41	Apr. 30	36	34
Netherlands	26	24	May 31	22	19
Greece	20	12	Feb. 28	9	6
Czechoslovakia	7	2/	Feb. 28	3/	3/
Irish Free State	4/ 18	4/ 19	Mar. 31	14	13
Switzerland	19	18	May 31	16	15
Austria	13	11	Dec. 31	4	4
Denmark	12	12	May 31	11	19
Sweden	4	2	May 31	2	1/ -1
Norway	8	8	May 31	8	8
Finland	4	4	Apr. 30	3	3
Spain	8	2/	Apr. 30	2/	2/
Poland	1/ -1	1/ -2	May 31	1/ -1	1/ -3
Estonia	3/	3/	Mar. 30	3/	3/
Portugal	3	1	Mar. 31	1	3/
Latvia	3/	--	Feb. 28	0	2/
Total	460	389		338	311

Compiled from official sources.
1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.
4/ Total imports.

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WORLD WHEAT PROSPECTS

Summary

World wheat supplies outside of Russia and China in the 1935-36 season now appear likely to be about 240,000,000 bushels less than in 1934-35. World production excluding Russia and China will probably reach about 3,520,000,000 bushels or an increase of about 60,000,000 bushels over last year, but the world carry-over at the beginning of the current crop year was apparently about 800,000,000 bushels, or a decrease of 300,000,000 bushels compared with a year ago. Russia appears to be harvesting a good wheat crop with fairly good yields in the regions which commonly supply wheat for export, and that country may possibly export about 30,000,000 bushels. Exports from Russia may be offset to some extent by increased imports into China where the wheat crop is reported to be smaller than a year ago.

The prospect of an increase in world wheat production this year is due to an increase in the European crop of about 43,000,000 bushels, and to the larger crop in the United States. Canada may also produce a little more wheat than a year ago. These increases, however, may be offset largely by smaller crops in the Southern Hemisphere and in North Africa.

The recent reports of conditions in Canada, Argentina, and Australia indicate relatively low yields for this year. Reports as to weather and rust in Canada seem to indicate that the yields on the reported acreage may produce about 300,000,000 bushels of wheat as compared with 276,000,000 a year ago. This estimate allows for a considerable amount of rust damage, the effects of which will be uncertain until the grain is harvested. Both acreage and yields are likely to be reduced in Argentina, and weather conditions to date

in Australia and Argentina indicate that the outturn of the crop in those two countries may total only about 260,000,000 bushels as compared with 373,000,000 bushels harvested last year. In Argentina conditions for the crop have been bad for seeding and germination, but they may improve to some extent during the growing season. Conditions in Australia seem to indicate that the new crop may not differ materially in size from that of last year.

The carry-over into the current season in the United States is estimated at 152,000,000 bushels, and the production, based on August 1 condition, at 608,000,000 bushels, making a total of 760,000,000 bushels. This is only 135,000,000 bushels in excess of the normal utilization of 625,000,000 bushels and suggests that unless there should be a considerable volume of imports during the year, the carry-over into the 1936-37 season will be even smaller than the carry-over into the current season. The extent to which wheat may be imported this year will depend primarily upon the amount of the domestic crop which eventually proves to be unfit for milling.

The short supplies in the United States as a whole may be expected to result in prices being maintained close to an import basis for all classes of wheat at markets east of the Rockies where domestic supplies are smaller than last year. During the 1935-36 season, Durum wheat will probably not command a premium over Hard Red Spring as was the case last season. Supplies of good quality Hard Red Spring, however, appear to be so short that there will be substantial premiums for Hard Red Spring over Hard Red Winter.

World Wheat Crop Prospects

The 1935-36 world wheat production, exclusive of Russia and China, is estimated at 3,520,000,000 bushels compared with 3,462,000,000 bushels in 1934 and with 3,762,000,000 bushels, the average production during the years 1930-1934.

The August 1 forecast of production of wheat in the United States in 1935 is 607,678,000 bushels compared with 731,045,000 bushels indicated by the July 1 condition and with 496,929,000 bushels harvested in 1934.

Weather conditions in the Prairie Provinces of Canada during July reduced severely the prospects for a large crop. Stem rust in Manitoba and Saskatchewan has lowered both the yields and the grades of the wheat. Weather conditions and indications of rust damage indicate a crop of about 300,000,000 bushels. 1/ The first official estimate of the 1935 acreage is 24,116,000 acres. This is 0.5 percent above the 1934 area of 23,985,000 acres but is 6.1 percent below the 1930-1934 average. The official condition of the spring wheat crop declined from 96 percent of average on June 30 to 81 percent on July 31. Since August 1 rust infection has continued to damage the grain crops in Manitoba and the eastern third of Saskatchewan.

An official report on August 20 stated that spotty but heavy frost damage occurred in the Peace River district of Alberta and over a 250-mile stretch of country extending west of Edmonton, Alberta to Scott, Saskatchewan. Frosts were reported in southeastern Saskatchewan but the damage was limited as cutting was well advanced. Conditions in central Saskatchewan, accounting for about half the wheat area of the Provinces, continue promising. It is reported that very little bread wheat in Manitoba will be worth threshing as the yields are low and the grades poor.

In Europe, excluding Russia, the production is estimated at 1,582,000,000 bushels compared with 1,538,000,000 bushels in 1934 and 1,750,000,000 bushels in 1933. The total for the current season is the same as reported a month ago. The dry, warm weather which appeared so timely in June, continued during most of July, and although very favorable for harvesting, reduced crop prospects slightly in several countries. It was quite general for Europe but was especially in evidence in western Czechoslovakia, parts of the Danube Basin, and the northern countries. Rainfall reported at most German stations during July has been far below normal. Similar data for other countries are quite limited but where available also indicate rainfall much below normal at most stations. Some deterioration of spring crops has occurred, but rye and wheat were far enough advanced in most countries to avoid serious damage. In the northern countries it is believed that the difference in crop growth made them late enough to be affected to some extent by the long dry period. Premature ripening is reported in many districts, but in general the quality of this year's crop appeared quite satisfactory late in July. Stormy weather appeared at the end of the month, and this may have damaged the quality of the grain to some extent where it had not been harvested or stacked. The reduction in these countries affected by the drought, however, is offset by the increase in the estimate of the Italian crop which is now officially placed at 280,609,000 bushels compared with the unofficial estimate of 257,000,000 bushels used in the July summary. The production in the four countries of the Danube Basin is 68,000,000 bushels above the poor crop harvested in 1934 and is also slightly above the average production during the past 5 years. The quality of the 1935 crop is reported to be excellent in Hungary, Yugoslavia, and Bulgaria, but generally mediocre in Rumania. Reports from Russia continue to indicate a good crop.

1/ The early estimate of the Bureau was 280,000,000 bushels, based on weather and yield studies and intended acres. Using the same yields, but the acreage figures published August 12, a production of 295,000,000 bushels is indicated. However, due to the fact that the amount of the rust damage is highly uncertain, the figure has been rounded to 300,000,000 bushels.

Forecasts of production in North Africa made a month ago have been maintained except for Algeria. The official estimate for Algeria has not been changed but the hot sirocco winds in June reduced yields especially in Constantine, where wheat had not been harvested. This especially affected the late sown native durum wheat which was not ready for harvest until the end of July. In western Algeria the harvest was about complete at that time, but poor yields were already in prospect there. The crop in Morocco is likewise greatly reduced this year, but a good crop was harvested in Tunisia where the quality is reported good.

The final estimate of the production in India is 363,029,000 bushels, which is a reduction of approximately 3,700,000 bushels from the previous estimate, but is, however, above the 1934 production and above the average production during the past 5 years. The production in China is reported to be from 15 to 20 percent below last year. Official estimates placed the Japanese crop 2 percent above, and the Manchurian crop 29 percent above, last year.

In Argentina, prospects indicate that there will be a reduction in both Acreage and yield. Weather conditions to date in that country and also in Australia where rains have been below average, indicate that the combined production might be about 260,000,000 bushels. In Argentina about 50 percent of the wheat zone has been affected by the drought conditions prevailing in the Provinces of Cordoba and Santa Fe, and the Territory of La Pampa, and the extreme western part of Buenos Aires. Some rain fell over the entire cereal zone during the early part of August but the effect of these rains on the stand and germination of the grain already sown and on the probable further sowings is not yet known. Conditions in the Province of Buenos Aires appear to be more favorable than those in other regions. The total wheat acreage sown is believed to be the smallest in many years, and, as much as the seed has not germinated, above average abandonment is expected. Crop conditions the middle of August in Australia were satisfactory except in western Australia, according to a report received through the International Institute of Agriculture. Improvement was noted in New South Wales and Victoria during the past month. Western Australia continued dry and rains are urgently needed throughout the States. Rainfall has been light in some parts of south Australia but the condition of the crop there is generally satisfactory.

Table 1 shows estimates by countries for the current year and 3 preceding years. Table 13 shows production as well as carry-over stocks and Russian shipments and other information beginning with 1921-22.

Table 1.-Wheat: Production in specified countries, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	607,678
Canada	443,061	281,892	275,849 1/	(300,000)
Mexico	9,658	12,122	10,950	10,611
Total (3)	1,198,507	822,939	783,728	918,289
Europe:				
England and Wales	41,253	58,725	65,259	58,837
Scotland	2,240	3,472	4,144 2/	(4,000)
Northern Ireland	121	227	363 2/	(300)
Irish Free State	831	1,983	3,803 3/	(4,000)
Norway	749	755	1,204 3/	(1,100)
Sweden	26,500	29,204	28,376 3/	(22,000)
Denmark	10,997	11,728	12,493 3/	(12,900)
Netherlands	12,838	15,325	18,042	15,660
Belgium	15,376	15,067	14,322 3/	(14,000)
France	333,524	362,330	338,513 4/	293,900
Spain	184,207	138,235	173,601	149,533
Luxemburg	719	995	1,171 2/	(800)
Portugal	23,791	16,281	24,690	15,900
Italy	276,922	298,548	233,036	280,609
Switzerland	4,001	4,957	5,071	5,879
Germany	183,830	205,920	166,541	171,150
Austria	12,193	14,615	13,239 3/	(13,600)
Czechoslovakia	53,737	72,921	50,014 3/	(66,100)
Greece	17,067	28,385	28,809	30,864
Poland	49,472	79,883	76,440 3/	(77,200)
Lithuania	9,423	8,192	10,475 3/	(9,700)
Latvia	5,292	6,725	8,051 3/	(6,600)
Estonia	2,085	2,451	3,107 3/	(2,400)
Finland	1,483	2,460	3,327	3,417
Malta	301	305	310 2/	(300)
Albania	1,554	2,380 2/	(2,000) 2/	(2,000)
Total (26)	1,270,506	1,382,069	1,286,401	1,262,749
Bulgaria	48,125	55,454	41,578 5/	51,440
Hungary	64,463	96,356	64,824 5/	84,510
Rumania	55,537	119,072	76,553 5/	102,900
Yugoslavia	53,444	96,582	68,328 5/	80,840
Total (4)	221,569	367,464	251,283 5/	319,690
Total Europe (30)	1,492,075	1,749,533	1,537,684	1,582,439
Africa:				
Algeria	29,237	31,998	43,528	32,444
Morocco	27,970	28,902	39,683	17,787
Tunis	17,453	9,186	13,779	17,269
Egypt	52,586	39,951	37,277	43,144
Total (4)	127,246	110,037	134,267	110,644

Continued-

Table 1.- Wheat: Production in specified countries, 1932-33 to 1935-36 - Cont'd.

Country	1932	1933	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Asia :				
Palestine	1,877	1,633	3,050	(2,500)
Syria and Lebanon	9,849	13,476	14,540	(13,500)
India	336,896	352,987	351,456	363,029
Japan	31,336	40,373	47,660	49,087
Chosen	8,576	8,887	9,268	8,957
Turkey	68,977	99,637	88,546	(90,000)
Total (6)	457,511	516,996	514,520	527,073
Total 43 countries	3,275,339	3,199,555	2,970,199	3,138,445
Estimated Northern Hemisphere total excluding Russia and China	3,331,000	3,242,000	3,016,000	3,184,000
Southern Hemisphere:				
Argentina	240,889	286,120	238,317	
Australia	213,927	177,338	134,431	
Union of South Africa	10,627	11,590	15,343	
Estimated world total: excluding Russia and China	3,854,000	3,788,000	3,462,000	3,520,000

Compiled from official sources except as otherwise noted.
1/ Based on weather conditions.
2/ Unofficial.
3/ Estimated in the Berlin office of the Foreign Agricultural Service.
4/ Estimated in the Paris office of the Foreign Agricultural Service.
5/ Estimated in the Belgrade office of the Foreign Agricultural Service.

World Wheat Carry-over

World stocks of wheat at points for which data are available have declined from 1,100,000,000 bushels at the end of the 1933-34 season to about 800,000,000 bushels at the end of the present season. The reduction of stocks in the United States from 286,000,000 to 152,000,000 bushels is a material contribution toward reducing world stocks. Stocks in the four principal exporting countries, United Kingdom stocks and stocks afloat, shown in Table 2, have been reduced by about 214,000,000 bushels and stocks in Europe and North Africa by about 85,000,000.

Table 2.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, July 1, 1928 - 1935

Position	July 1							
	1928	1929	1930	1931	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States:								
Domestic wheat	124	247	303	326	385	393	286	152
Canadian wheat	11	23	16	5	5	4	10	9
Canada:								
Domestic wheat	114	125	134	148	153	230	209	214
U. S. wheat	3	3	5	15	16	4	0	0
Argentina	78	124	39	57	36	61	107	1/62
Australia	31	34	42	62	45	53	81	1/52
Total	361	556	539	613	640	745	693	489
United Kingdom port stocks:								
Wheat and flour	11	8	6	6	11	13	15	10
Afloat for United Kingdom	12	8	11	19	16	15	13	11
Afloat for Continent	22	31	17	18	19	8	10	11
Afloat for orders	16	14	10	13	10	8	10	6
Total	61	61	44	56	56	44	48	38
Total of above	422	617	583	669	696	789	741	527

Division of Statistical and Historical Research.
Compiled as follows:
United States: Stocks on farms, stocks in country mills and elevators, commercial stocks, stocks in merchant mills and elevators, in transit to merchant mills and elevators and stocks stored for others by merchant mills, beginning July 1930.
Canada: Carry-over on July 31, plus net exports during July.
Argentina: Carry-over on December 31, plus exports July 1 to December 31.
Australia: Carry-over November 30 plus exports July 1 to November 30.

1/ Carry-over at the beginning of the year plus production, minus domestic utilization and exports through June 30.

Wheat Outlook

For the third consecutive year the United States wheat crop promises to be less than domestic utilization. This year's crop is only slightly below but the crops of 1933 and 1934 were each roughly 100,000,000 bushels below the usual domestic utilization. The reduced production of the past 3 years has been due mostly to low yields and heavy abandonment, the average area sown for those years being less than 3 percent below the average for the 3 previous years (1930-32).

The short crops of the past 3 years, together with other influences, have resulted in wheat prices in the United States being maintained at levels unusually high relative to the "world market" price. Generally speaking, domestic prices have been 20 to 30 cents higher than might have been expected with more nearly normal yields in the United States. With the return of average or greater than average yields in the United States there will be an export surplus and prices will have to adjust toward an export basis unless preventative measures are taken. During the 1935-36 season Durum wheat in the United States will not command a premium over Hard Red Spring as was the case last season. Supplies of good quality Hard Red Spring appear to be so short that there will be substantial premiums for Hard Red Spring over Hard Red Winter.

The current year's wheat production in the United States, based on August 1 condition, is officially forecast at 607,678,000 bushels, which is somewhat below the normal domestic utilization of about 625,000,000 bushels. As a result of the extremely short crops of the 2 previous years (528,975,000 bushels and 496,929,000 bushels) the carry-over into the current season has been reduced to 152,000,000 bushels, so that the total supplies for the year are indicated to be about 760,000,000 bushels. This is only 135,000,000 bushels in excess of the normal utilization of 625,000,000 bushels and hence suggests that unless there should be a considerable volume of imports, the carry-over into the 1936-37 season will be even smaller than the carry-over into the current season. (Domestic supply, distribution and disappearance of wheat; including flour, since 1930-31, is shown in Table 10.)

The short supplies for the United States as a whole may be expected to result in domestic prices being maintained close to an import basis for all classes of wheat at markets east of the Rockies. During the 1934-35 season, No. 2 Hard Winter wheat at Chicago averaged 19.7 cents above the average price of wheat parcels imported at Liverpool. A similarly high level of United States prices is to be expected during most of the current season. If the markets east of the Rockies were on an export basis this season, prices at Chicago might be expected to average about 10 cents below Liverpool Parcels.

Last year supplies of both Hard Red Spring and Durum were extremely short, the crops being estimated at 53,729,000 and 7,561,000 bushels respectively, whereas for the current year, production is now placed at 119,844,000 and 28,663,000 bushels. The carry-over of each of these types into last season was larger than into this season, so that there is not a great difference in total supplies. Supplies are estimated at 133,000,000 bushels last year and 148,000,000 this year in the case of Hard Red Spring and 15,000,000 bushels of Durum last year compared with 34,000,000 this year. The larger supplies of Durum for the current year indicate that its

price will be much lower relative to Hard Red Spring than was the case last year. Though Hard Red Spring supplies are larger than last year, they are smaller than the usual domestic utilization. Furthermore part of the spring wheat crop is reported to be of such low quality as to be unfit for milling. Consequently, good quality Hard Red Spring wheat will probably sell at a substantial premium compared with Hard Red Winter.

Imports of wheat for final consumption in the United States (not including wheat milled in bond) last year amounted to 8,146,000 bushels for feed and 5,906,000 bushels for seed and human consumption. There will not be the necessity of importing feed wheat this year and last year's imports for seed and human consumption were primarily of Durum, of which we have fairly adequate supplies for the current season. If there is a considerable volume of imports this year, it will probably consist of Canadian Manitoba Northern which is comparable to our Hard Red Spring. The extent of such imports will depend primarily upon the amount of the domestic crop which eventually proves to be unfit for milling. (Supplies by classes, without regard to millability, using the crop estimate as indicated by August 1 condition, is shown in Table 11 1/).

East of the Rocky Mountains domestic supplies are smaller than last year, amounting to only 639,000,000 bushels compared with 664,000,000 bushels for 1934-35. In the western group of states (Washington, Oregon, California, Idaho, Nevada, Utah, and Arizona) on the other hand, total supplies are indicated to be 120,000,000 bushels for the current season compared with 119,000,000 bushels last year. The surplus of wheat in the region tributary to the Pacific Coast, the short supplies in the Great Plains area, and the abundant supplies in the Soft Red Winter regions of the East will probably again result in prices of wheat and flour being unusually low in the Pacific Coast and Southeastern States as compared with their usual relationship to prices at interior markets east of the Rockies.

With present prospects indicating a carry-over into next season of between 135,000,000 and 150,000,000 bushels, prices during 1936-37 will depend largely upon the outturn of the 1936 crop. While there has been some reduction of seeded acreage in the past few years, the small crops and the relatively high level of prices in the United States compared with Liverpool have been primarily due to low yields for the current and the two previous seasons. The seeded area in the United States declined from 71,137,000 acres for the crop of 1928 and a 1930-32 average of 65,926,000 acres to 60,371,000 acres for 1934 when planting conditions were very unfavorable. For the current season the area sown increased to 65,173,000 acres. Planting conditions were more favorable than for the 1934 crop and winter wheat growers were allowed to sow 90 percent of their base acreage in place of 85 percent. Contract signers growing spring wheat, on the other hand, were allowed to plant in excess of 90 percent of their base acreage, such excess to be offset by additional reductions in acreage in 1936 below what would otherwise be permitted in that year.

1/ Table 11 also shows the revised figures for the July 1, 1934 carry-over

For the 1936 crop, contract signers may plant 95 percent of their base acreage. Because of the smaller reduction from the base, the area sown for the 1936 crop may be expected to be somewhat larger than that sown for the current year, and 3 successive years of fairly good market prices may tend to increase somewhat the non-contract acreage. On an area of 66,000,000 acres an average yield of 12.5 bushels per acre (1923-32 average) would result in a crop of 825,000,000 bushels which would be about 200,000,000 bushels in excess of normal domestic utilization. Such a production if it occurred next year, would probably result in a surplus available for export. Consequently average yields in 1936 would probably result in United States prices being lower relative to Liverpool than they have been in the past 2 years, and it is altogether possible that they might result in Chicago prices averaging about 10 cents below Liverpool for the 1936-37 marketing season.

With prospects that total world supplies for the current season will be considerably less than last year, prices at Liverpool and in the principal exporting countries are likely to average higher. The course of prices will depend in an unusual degree upon the way in which the Canadian surplus is marketed or held, since Canada will have an unusually large share of the world's exportable supplies. (See Table 2).

Prospective Wheat Supply and Utilization by Classes for 1935-36

The situation with regard to prospective supply and utilization by classes changed materially during July, due to the reduced wheat crop prospects and especially the reduction in the amount of millable Hard Red Spring wheat. The August 1 forecast of this one class of wheat at 120,000,000 bushels represents a 86,000,000 bushel reduction during the month. Reports of inspections indicate that there is a large amount of light weight Hard Spring wheat, a part of which is unfit for milling.

Based on the August 1 forecast of a crop of 608,000,000 bushels, it still appears that we have sufficient wheat of all classes for domestic utilization except Hard Red Spring. See Table 3 . Due to the fact that the amount of mill ble Hard Red Spring wheat is highly uncertain at this time a deficit figure for this one class at best only indicates that some Hard Red Spring wheat imports will be necessary during the current season. The carry-over figure includes the tentative deficit figure and would need to be adjusted as the deficit situation became more definite.

The tentative appraisal of domestic utilization for the year now includes between 500,000,000 and 505,000,000 bushels for milling, about 80,000,000 for seed and the rest for feed and loss. The item for milling is somewhat larger than usual because some allowance has been made for some light weight spring wheat, the use of which necessitates larger amounts than would be required in the case of heavier wheats. It was assumed that there would be considerable substitution as between classes. The amount of such substitution, however, will depend largely upon price relationships. Personal preference of millers and the demand for particular characteristics in flour quality will also be important factors. The feed item in the table is also larger than would have been the case without light weight wheat. Estimates of utilization by classes were based largely

on disappearance data 1/ of the last 6 years, taking into consideration prospective milling qualities by classes, location of supplies, likelihood of feeding different kinds of wheat, etc.

1/ Disappearance figures for 1930-31 to 1934-35, together with the 1929-30 to 1933-34 average, were given in World Wheat Prospects for July, page 13. Revised figures for 1934-35 are to be found in this August issue, Table 11.

Table 3.-Wheat: Prospective supply and utilization by classes, 1935-36

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Carry-over, July 1, 1935	71	32	28	5	16	152
Production, Aug.1 condition	198	183	120	29	78	608
Total supplies, 1935-36	269	215	148	34	94	760
Prospective utilization	225	180	128	28	74	635
Prospective carry-over, July 1, 1936	44	35	28	6	20	1/133
Deficit	0	0	1/8	0	0	1/ 8

1/ See text.

Wheat Prices

Wheat prices in the United States rose sharply from mid-July until the last of the month, since which time they have lost a part of their gain. The rise in July was primarily the result of the prospects that our expected surplus would be eliminated and that we would be likely to be on a domestic basis again. During this period the spread between Chicago and Liverpool remained wide for this time of the year. In late June when a surplus in the United States was indicated the spread narrowed to about 2 cents. The decline in United States prices since the beginning of August has been largely the result of seasonal hedging pressure and only moderate demand. During the same period Liverpool future prices, although fluctuating within a range of about 4 cents, did not decline, which caused the spread between Chicago and Liverpool to narrow somewhat.

Average farm prices of wheat in the United States declined from 77.3 cents on June 15 to 76.4 cents on July 15. Reports of infestation of rust in the spring wheat area caused market prices to rise sharply on June 28 and again on July 9, but prices on July 15 were back again to near June 15 prices. Farm prices for August 15 are likely to be higher than a month earlier, in harmony with higher market prices. No. 2 Hard Winter at Kansas City rose from an average of 93 cents for the week ended July 13 to 106 for that ended August 3, then declined to 102 for the week ended August 17. For these same 3 weeks the price of No. 2 Red Winter at St. Louis was 85, 94, and 91 cents, and that for No. 2 Hard Amber Durum at Minneapolis 101, 120, and 118 cents. No. 1 Dark Northern Spring at Minneapolis rose from 109 for the week ended July 13 to 128 cents for that ended August 10 and then declined to 123 cents. Market receipts of the higher grades of spring wheat have fallen off markedly and lower grades, including sample grade, have increased with the marketing of the new crop.

Table 4.-Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, June-August 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
June 1	93.5	108.7	74.2	59.2	77.4	72.7	229	143	265
8	91.0	107.8	74.6	60.9	79.7	72.6	229	140	247
15	89.0	105.9	73.0	60.1	78.3	72.7	228	9/138	244
22	85.2	102.4	74.2	59.9	78.0	72.7	---	---	---
29	87.3	103.4	73.3	59.5	77.8	72.8	---	---	---
July 6	93.4	110.9	72.8	58.1	73.6	72.8	229	9/130	229
13	92.7	109.0	71.9	57.0	70.3	73.1	228	---	228
20	95.4	113.7	72.2	59.3	73.6	74.2	229	9/123	229
27	99.3	111.3	74.2	63.2	77.6	73.1	227	9/117	227
Aug. 3	105.8	124.5	76.7	64.3	78.3				
10	104.3	127.8	76.5	63.5	77.9				
17	102.1	123.1	75.0	62.2	77.6				

Prices are averages of daily prices for week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.
9/ Nominal.

Table 5.-Wheat: Closing Saturday prices of September futures 1/

Date	Chicago		Kansas City		Minneapolis		Winnipeg 2/		Liverpool 2/		Buenos Aires 3/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 4/	110	95	109	97	119	110	97	5/ 85	97	79	5/ 75	5/ 65
Low 4/	88	79	82	78	90	83	78	5/ 80	74	70	5/ 54	5/ 56
July 13	99	80	95	80	102	83	84	5/ 80	79	71	5/ 56	5/ 57
20	101	86	97	88	105	94	88	5/ 81	82	75	5/ 59	5/ 60
27	101	93	98	95	107	102	89	5/ 85	84	78	5/ 61	5/ 65
Aug. 3	104	90	102	91	111	104	92	5/ 84	92	79	5/ 68	5/ 64
10	104	90	103	92	114	110	90	5/ 85	94	79	5/ 75	6/ 63
17	104	87	102	89	114	106	87	83	86	79	68	6/ 63

1/ October futures for Winnipeg and Liverpool. 2/ Conversions at noon buying rate of exchange. 3/ Prices are of day previous to other prices. 4/ July 1 to date. 5/ August futures. 6/ October figures.

Table 6.-Wheat: Weekly weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	116	100	109	106	123	128	145	120	103	94	95	78
Low 2/	89	93	88	93	97	109	110	101	89	85	74	75
July 13	91	93	90	93	102	109	127	101	90	85	78	76
20	100	94	99	95	113	114	139	107	96	85	85	76
27	103	96	100	99	114	111	135	104	97	88	83	76
Aug. 3	108	100	104	106	117	125	140	120	99	94	88	76
10	116	98	109	104	123	128	145	117	103	93	95	76
17	114	96	106	102	120	123	132	118	100	91	87	75

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 2/ July 1 to date.

The Liverpool Wheat Market Situation During July 1/

Prices of Liverpool parcels were well maintained during July largely because of the prospects of a reduced acreage in the Argentine and because of the frequent scarcity of Plate offers. French offers were again in evidence and some good business was reported. The price of such wheat was much cheaper than other classes. Some Danubian parcels and Russian wheat for August delivery were also offered, the former at prices in line with cheap French wheat, while the latter was quoted between Plates and Manitobas. The possible re-entrance of Russia on the world wheat markets this season, which will mean a concentration largely on the United Kingdom, is one of the most important present features of the market situation and may well become a dominant one during the coming months if liberal offers are made.

The price spreads between the various parcels offered at Liverpool showed very little change between Canadian, Argentine and Australian wheat from those prevailing a month ago. This lack of change is really an enigma in the present wheat market situation as Argentine supplies appear to be no longer abundant and Canadian wheat has been relatively so high as to discourage takings except where very necessary. It would appear that Argentine wheat could command a relatively higher price than it has and still be taken in good quantities if a somewhat different marketing policy had been followed. The very much reduced world shipments during July, however, have been below normal import needs and some changes in the price spreads with a consequent effect on the source of imports should be in evidence before long.

The Continental European Wheat Situation During July 1/

European takings of overseas wheat were of limited volume during July. The approaching harvest, which appears to be a good one in most countries, reduced the interest in foreign imports. Such purchases as were made, especially in Belgium, were largely the result of contemplated changes in import regulations. Germany has reduced imports to a negligible quantity and is unlikely to take much wheat in 1935-36. Czechoslovakia made no import purchases during the month and now faces a surplus domestic supply situation. Austria has arranged with Hungary for a large share of her import requirements for the coming year. Imports into Italy have been very small. With a larger crop in prospect, particularly of bread grain, it appears that import needs in that country for the coming season will be primarily for durum wheat. This is considering normal requirements, which may be changed if military needs are increased.

The weakness of prices for overseas wheats at the beginning of the month gave way to firmer tendencies in the second half when rumors of rust damage in the United States and prospects of a reduction in acreage in the Southern Hemisphere, along with reduced world shipments appeared. Domestic wheat prices during July, were weak in France, Austria and Poland and to

1/ Prepared from a report of Assistant Agricultural Attache, Gordon P. Boals, at Berlin, which includes information furnished by other European offices of the Foreign Agricultural Service.

some extent in Italy. Prices for new crop wheat in Austria advanced toward the end of the month. Fixed wheat prices in Germany and Czechoslovakia for June were prolonged also for July and will be continued in these countries during the coming season. In Czechoslovakia the level of prices will be about the same and in Germany slightly below that of 1934-35.

Measures Affecting Bread Grains 1/

Government and organizational market regulating and protectionist activities during July included the prolongation of the fixed price systems in Germany and Czechoslovakia. The latter country has now also established milling contingents. Poland appears now to have definitely given up price supporting purchases, at least on any extensive scale, but crop financing loans will again be extended to farmers of that country. Considerable attention is still being given in France to the handling of surplus stocks.

Germany

The system of fixed prices which existed in the 1934-35 campaign was renewed for the new crop year, with monthly premiums increased to a uniform 22 cents per bushel for the season, compared with an amount which was 30 percent less last year. On the average, wheat prices at the beginning of the season are 4 cents per bushel below those at the beginning of the last campaign, and for the 1935-36 season, taken as a whole, are about 1 cent per bushel below last year's price. The initial fixed price for rye this year averages 1 cent per bushel higher than last year. The reason for these reductions appears to be that the authorities favor a prevention of further expansion in wheat growing and also favor a stabilization of the price of bread. The reduced purchase price of wheat to flour mills will enable them to pay an appreciable amount into the bakers' equalization fund, from which subsidies will be paid to bakers in order to prevent an increase in the bread price.

A new grain market regulation also establishes a delivery obligation for bread grains to be supplied by farmers. Each farmer receives contingent stamps indicating his delivery allotment. The all-Germany delivery contingent is to be adjusted to human requirements of bread grains as approximately determinable on the basis of grain statistics. Feeding of wheat and rye this year is no longer generally prohibited, farmers being free to use bread grains for feeding purposes, provided that they have fulfilled, or will fulfill, their delivery obligations. Producers of wheat and rye who receive the contingent stamps are not only obliged but entitled to deliver the quantities of bread grains for milling purposes stipulated as their quotas. This means that the farmers are assured that their bread grain quotas will be taken up under any circumstances.

1/ Prepared from a report of Assistant Agricultural Attache, Gordon P. Boals, at Berlin, which includes information furnished by other European offices of the Foreign Agricultural Service. All price quotations have been converted at current rates of exchange.

France

It is expected by the trade that stocks in France on July 15 will amount to some 44,000,000 to 51,000,000 bushels, in addition to the Government security stocks of 22,000,000 bushels. According to the wheat law of December 24, 1934, the Government was to take charge of all stocks existing on July 15, 1935. There still remains a small quantity of wheat to be denatured and exported from previous authorizations. When these authorizations have been exhausted it is likely that quantities to be denatured and exported during the coming season will be rather small on account of the declining crop prospects and the lack of available funds.

The French wheat market is in a much healthier condition than a year ago. The surplus disposition plans have accounted for probably not far from 73,500,000 bushels during the past crop year. Disappearance during the past 2 seasons has apparently been rather high on account of larger amounts for animal feeding and waste. Should this disappearance continue at equally high levels the supply situation a year from now should not be very burdensome.

Czechoslovakia

With a view to bringing about a reduction in the wheat area in order to eliminate the difficulties of surplus supplies, the Czechoslovakian Government has decreed that the maximum acreage for farms above 5 hectares (12.4 acres) of ploughed land be 8 percent less than last year.

It is still uncertain whether Czechoslovakia will take any Yugoslavian wheat this year. According to the agreement existing between the two countries, Yugoslavia must report to the Czechoslovakian Government by August 15 at the latest, the extent of the wheat export surplus and the extent of the quantities which would be available for exportation to Czechoslovakia. Not later than September 15, the Czechoslovakian Government must report to the Yugoslavian Government what quantities of foreign wheat will be needed for importation into Czechoslovakia. The new grain price regulations for the 1935-36 season were issued toward the end of July, and it appears that the fixed prices are approximately on the same basis as they were a year ago, with monthly premiums changed slightly.

Austria

According to an agreement existing between Austria and Hungry, the latter country will deliver to Austria a total of 8,084,000 bushels of wheat, including 562,000 barrels of flour in terms of wheat, during the 1935-36 campaign. The purchase price was agreed upon to be 103 cents per bushel of 62.2 to 62.9 pounds per bushel. A further purchase by Austria of Hungarian wheat has been made against the account of foreign exchange allotted for the travel of Hungarians in Austria to the extent of 92,000 bushels of old crop wheat and 129,000 bushels of flour to be delivered up to the end of July 1935. Since Austrian imports during the past campaign amounted to only 9,186,000 bushels of wheat, it is apparent that the preferential trading between Austria and Hungary in regard to wheat will practically exclude most competition from other producing regions.

Sweden

The Swedish Grain Consortium was authorized to import feed corn duty-free, against exportation of an equal amount of bread grains. At the end of June, one such transaction was reported when a total of 625,000 bushels of wheat were exported against importation of an equal amount of feed corn.

Poland

In the new grain campaign for 1935-36, state market intervention will no longer strive to stabilize prices, the authorities being anxious to re-introduce a somewhat freer play of forces in the grain market. Grain purchases by the State Grain Company will be restricted to such acquisitions as promise success financially. On the other hand, crop loans will again be extended this year to the extent of 52 cents per bushel for wheat and 34 cents for rye. The German-Polish-Russian rye agreement will expire on July 31, 1935, but it is likely that it will be renewed.

The Shanghai Wheat Market 1/

Shanghai, Tientsin and Tsingtao flour mills are showing interest in foreign wheat as domestic supplies are expected to be small within 2 months' time. Foreign wheat prices, however, are more than 5 percent too high compared with current local flour prices.

Prices of wheat, duty included, for the week ended August 10, were quoted as follows:

For August-September shipment, Australian (New South Wales) 83.14 cents per bushel, and Western White No. 2 at 91.21 cents per bushel; domestic standard for August delivery 71.03 cents and for September 73.45 cents per bushel. Shanghai flour for August delivery was 86.10 cents and for September delivery 86.46 cents per bag of 49 pounds. Australian flour, c.i.f. Hong Kong, was $3.00 per barrel of 196 pounds.

The Durum Situation in the Western Mediterranean Basin 2/

Considerably smaller supplies of durum wheat and some increase in foreign trade characterizes the outlook of the durum situation of the Western Mediterranean. A light crop in Italy due to a poor harvest in Sicily, a near crop failure in Morocco, a smaller harvest in Algeria and heavy production in the less important Regency area of Tunisia has resulted according to information now available in a total outturn for the five countries of about 87,225,000 bushels compared with 123,505,000 bushels.

Trade in overseas wheat in this area will not be large, Italian imports being kept at a minimum and France being adequately supplied by Algeria and Tunisia. There will of course continue to be a milling in bond trade in Italy and France.

1/ Based on a radiogram from the Shanghai office of the Foreign Agricultural Service, dated August 16, 1935.

2/ Based on a report from Assistant Agricultural Attache, L. D. Mallory, Paris.

Production this year is relatively small due to adverse weather. Sown area was quite substantial but low yields caused by poorly distributed moisture supplies resulted in lower crops in all countries except Tunisia. The following table shows the production situation for recent years:

Table 7.-Production of durum wheat, 1930-31 to 1934-35

Country	1930-31	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Italy	50,540	59,855	64,066	57,705	40,418
Algeria	18,644	20,874	22,226	28,322	22,046
Morocco	21,884	19,040	17,512	27,925	12,268
Tunisia	9,921	12,493	6,246	9,553	12,493
Total ...	100,989	112,262	110,050	123,505	87,225

Figures are official except for 1934-35 forecasts of which Morocco and Tunisia are semi-official.

Considering the supply situation and possible requirements in Italy, together with the fact that the Government maintains control over imports, it appears that Italy may import only about 11,000,000 bushels of durum for domestic use during 1935-36. France may import a net supply of 8,100,000 bushels from Algeria and Tunisia. The two colonies will have a little more available to be held as stocks or to be shipped to other countries if encouragement to export is provided. Morocco will have practically no trade in durum, the crop being below requirements, but imports are not likely in view of a substantial carry-over.

Trade possibilities are summarized in the table below:

Table 8.-Possible durum trade, 1935-36

Country	Approximate requirements	Production forecast	Apparent deficit or surplus	Possible trade
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Italy	60,259	40,418	- 19,841	11,000
France	8,084	0	- 8,084	8,100
Algeria	16,534	22,046	+ 5,512	5,500
Morocco	---	12,269	---	0
Tunisia	6,798	12,493	+ 5,695	4,400

Italy is endeavoring to trade with those countries wherein foreign exchange difficulties are not too great. Purchases will therefore tend to be made from Argentina rather than North America. If Russia has an export surplus of durum and satisfactory trading agreements are made between the two countries it is not improbable that grain from this source may be imported, for Italian millers appreciate the strength of the Russian durum. Small quantities may be taken from French Africa, particularly if Algeria should embark on a plan of subsidized exports.

France together with Algeria, Tunisia, and Morocco forms a trading unit because of the customs union between the first three and the quota allotment granted to Morocco. Up to the past year or 2, no wheat to speak of was shipped by the colonies to foreign countries, France being the sole market. Recently small quantities have gone abroad

because of the surplus existing and the governmental control plans. From Morocco, for example, export of a certain percentage to foreign countries was obligatory in order to utilize the French quotas. During the coming season it would appear that there will again be sufficient Durum wheat from colonial sources to supply French needs and a possible small excess supply for other countries.

There is a substantial milling in bond trade under the temporary admission privileges of the French customs. Net exports of semolina have been very considerable in some years. During the past 2 years there has been a good deal of comment in France to the effect that Durum consumption has decreased. The sales of paste are said to be made with increasing difficulty because of depressed economic conditions, paste being a more expensive food than some other products.

In both Spain and Portugal a considerable amount of Durum wheat is grown but because of its use is never included in the Durum situation. In Andalusia in southern Spain most of the crop consists of Durum, some 20 to 25 percent of Spanish production. Likewise in southern Portugal a good deal of Durum is produced, estimated to have been 30 percent of the 1934 harvest. This wheat, better able to stand the dry Mediterranean-type climate and grown from early introductions, is used for bread, very little apparently being consumed in any other manner. According to the Spanish grain trade no durum is imported for milling into semolina, the small demand for products being filled by paste imports.

Table 9.- Durum wheat products: United States production and distribution

Year	Durum wheat ground	Production 1/		Exports		Available for Consumption 2/	
		Semolina	Flour	Semolina	Flour	Semolina	Flour
	Bushels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
1928-29							
July-Dec.	8,013,583	1,208,321	493,152	66,744	168,310	1,141,085	325,334
Jan.-June	7,813,704	1,146,438	488,557	49,220	101,710	1,097,218	374,847
Total	15,827,287	2,354,759	981,709	115,964	270,020	2,238,303	700,181
1929-30							
July-Dec.	8,015,616	1,184,796	535,941	33,351	98,133	1,151,445	437,808
Jan.-June	7,003,156	1,184,109	311,158	37,629	58,614	1,043,428	345,596
Total	15,018,772	2,358,905	847,099	70,980	156,747	2,194,873	783,404
1930-31							
July-Dec.	7,338,125	1,236,508	212,802	40,877	25,901	1,195,631	186,901
Jan.-June	6,852,220	1,144,134	326,685	43,663	12,824	1,100,471	303,861
Total	14,190,345	2,380,642	539,487	84,540	38,725	2,296,102	490,762
1931-32							
July-Dec.	7,345,990	1,268,124	295,636	11,559	13,576	1,256,565	282,060
Jan.-June	5,895,622	987,965	232,747	3/	3/	987,965	42,754
Total	13,241,612	2,256,089	528,383	11,559	13,576	2,244,530	324,814
1932-33							
July-Dec.	6,109,118	1,067,518	217,824	3/	3/	1,067,518	217,824
Jan.-June	6,897,618	1,155,273	430,532	2,518	3/	1,152,755	430,532
Total	13,006,736	2,222,791	648,356	2,518	3/	2,220,273	648,356
1933-34							
July-Dec.	6,579,689	1,116,337	264,708	3/	3/	4/	4/
Jan.-June	6,616,280	1,135,064	263,618	3/	3/	4/	4/
Total	13,195,969	2,251,401	528,326	3/	3/	4/	4/
1934-35							
July-Dec.	6,468,443	1,069,131	290,889	3/	3/	4/	4/
Jan.-June	5,779,986	1,008,466	397,463	3/	3/	4/	4/
Total	12,248,429	2,077,597	688,352	3/	3/	4/	4/

Data prior to July 1, 1933, collected and distributed by United States Bureau of Foreign and Domestic Commerce. Subsequent data collected and distributed by Grain Market News Service, United States Bureau of Agricultural Economics.

1/ Amount of semolina and flour produced not strictly accurate as total production of two mills not reporting semolina and flour separately is included in semolina.

2/ Includes material used in domestic manufacturing industries.

3/ Data confidential because of light export business and small number of firms exporting.

4/ Not computed because of absence of export data.

Table 10.-Wheat, including flour: Supply, distribution and disappearance in continental United States, 1930-31 to 1935-36

Item	Year beginning July					
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
SUPPLY	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Stocks, July 1:						
On farms 1/	60,092	38,039	92,772	82,309	60,323	41,926
In country elevators and mills 1/	60,166	30,252	41,585	64,296	48,150	31,464
Commercial stocks 2/	109,327	203,967	168,405	123,712	80,548	21,951
In merchant mills and elevators and stored for others 3/	59,170	41,206	71,714	107,052	83,114	49,471
In transit to merchant mills 3/	14,706	12,496	10,088	16,038	14,066	7,142
Total wheat as grain	303,461	325,960	384,564	393,407	286,201	151,954
Flour(in terms of wheat) 4/	20,497	6,886	7,041	7,214	6,688	7,666
Total wheat and flour	323,958	332,846	391,605	400,621	292,889	159,620
New crop 1/	889,702	932,221	745,738	528,975	496,929	607,678
Imports(flour included)5/	19,366	12,886	9,382	11,589	25,961	
Total supply	1,233,026	1,277,953	1,146,775	941,185	815,779	
DISTRIBUTION						
Exports and shipments:						
Exports(wheat only) 5/	76,365	96,521	20,887	18,800	3,019	
Exports(flour as wheat)5/	55,110	39,276	20,324	18,202	18,513	
Reexports and shipments (flour included) to Alaska,Hawaii and Puerto Rico) 5/	2,870	3,661	3,479	2,800	2,942	
Total	134,345	139,458	44,690	39,802	24,474	
Seed requirements 6/	81,060	80,098	83,635	71,703	75,476	
Disappearance for food, feed and waste	684,775	666,792	617,829	536,791	556,209	
Carry-over,June 30 7/	332,846	391,605	400,621			
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Population, Jan. 1 8/	123,630	124,511	125,197	126,059		
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Per capita disappearance:						
For food,feed, and loss	5.54	5.36	4.93	4.26		
For food,feed,seed, and loss	6.19	6.00	5.60	4.83		

Bureau of Agricultural Economics. Compiled as follows: 1/ Based on returns to the Bureau from crop reporters. 2/ Bureau of Agricultural Economics. 3/ Bureau of the Census figures raised to represent all merchant mills; stocks stored for others included. 4/ From Chicago Daily Trade Bulletin. 5/ From reports of Foreign and Domestic Commerce of the United States; imports include wheat for milling in bond and export, and reexports and shipments include flour milled from imported wheat. 6/ Amount of seed used per acre from returns to the Bureau from inquiries sent to crop reporters. 7/ For individual items see above. 8/ Bureau of the Census.

Table 11.- Wheat: Supply and distribution by classes, 1934-35

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Stocks, July 1, 1934						
On farms	23	13	16	2	6	60
Country mills and elevators	12	6	12	2	16	48
Commercial	40	7	29	2	3	81
In mills 1/	58	11	22	1	5	97
Total stocks	133	37	79	7	30	286
New crop	201	168	54	8	66	497
Total supply (1934-35)	334	205	133	15	96	783
Exports 2/	0	0	3/ 8	3/ 6	3	3/ 11
Disappearance 4/	263	173	113	16	77	642
Stocks, July 1, 1935	71	32	28	5	16	152
New crop	198	183	120	29	78	5/608
Total supply (1935-36)	269	215	148	34	94	760

1/ Includes "In transit to merchant mills" and "stored for others by merchant mills".
2/ Does not include flour.
3/ Net imports.
4/ Includes wheat ground into flour for export, also shipments to Alaska, Hawaii and Puerto Rico.
5/ Based on August 1 condition.

Table 12.- United States: Exports of wheat and wheat including flour, by weeks, 1934-35 and 1935-36 1/

Week ended	Wheat		Wheat flour		Wheat inc. flour	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 6	0	0	31	9	146	42
13	7	0	29	32	143	150
20	3	2	25	34	121	162
27	18	0	41	16	211	75
Aug. 3	395	2	30	8	536	40
10	1,010	1	82	25	1,395	119
17	360	0	74	25	708	118

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 13.-Wheat: World supply, price and disappearance, 1921-22 to 1935-36

Year	Production: United States	Production: Canada	Production: Argentina	Production: Australia	Production: Europe 1/	Production: All other 2/	Production: World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	644	3,673
1928-29	913	567	349	160	1,410	596	3,995
1929-30	822	305	163	127	1,451	705	3,573
1930-31	890	421	232	214	1,360	734	3,851
1931-32	932	321	220	191	1,436	756	3,856
1932-33	746	443	241	214	1,492	718	3,854
1933-34	529	282	286	177	1,750	764	3,788
1934-35	497	276	238	134	1,538	779	3,462
1935-36 3/	608	(300)	(260)		(1,582)	770	3,520

Year	Shipments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No. 2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	314	3,493	3,203		120
1922-23	1	290	3,494	3,191	136	113
1923-24	21	303	3,843	3,495	121	105
1924-25	6/	348	3,474	3,192	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,014	3,592	154	135
1928-29	6/	422	4,417	3,800	129	112
1929-30	7	617	4,197	3,614	131	120
1930-31	112	583	4,546	3,877	80	76
1931-32	72	669	4,597	3,901	59	47
1932-33	19	696	4,569	3,730	54	51
1933-34	34	789	4,611	3,870	69	88
1934-35	7/4	741	4,207	3,680	80	98
1935-36 3/	(30)	527	(4,077)			

1/Excludes Russia. 2/Excludes Russia and China. 3/ Preliminary
4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.
5/ Not available. 6/Less than 500,000 bushels. 7/Eleven months.

Table 14.- Wheat, including flour: Movement from principal exporting countries, 1932-33 to 1935-36

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1932-33	1933-34	1934-35	1933-34	1934-35	1935-36	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	41,210	37,002	21,532				
Canada	267,342	198,555	169,630	18,591	14,815	10,937	July 31
Argentina	100,272	144,849	187,000	14,936	16,984	11,330	July 31
Australia	148,552	86,509	1/102,374				
Russia	19,676	33,787	1/4,140				
Hungary	7,010	29,615	2/8,855				
Yugoslavia	1,162	839	1/4,354				
Rumania	179	248	2/ 0				
Bulgaria	3,144	4,769	3/ 7				
British India(L & S)	2,169	2,084	2/1,820				
Total.....	610,716	538,257	499,712				

	Shipments as given by trade sources						
	Total		Week ended 1935			July 1 - Aug. 17	
	1933-34	1934-35	Aug. 3	Aug. 10	Aug. 17	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 4/...	220,616	168,712	2,720	1,523	2,579	25,808	15,030
Canada, 4 markets 5/	194,213	176,059	9,232	12,271	11,324	32,858	53,735
United States.....	37,002	121,532	40	119	118	4,630	705
Argentina	140,128	186,228	1,504	2,935	1,306	28,076	15,681
Australia	90,736	111,628	1,472	1,013	1,173	12,680	10,150
Russia 6/.....	26,656	1,696	0	0	648	16	648
Danube and Bulgaria 6/.....	15,872	4,104	16	0	0	360	608
British India	7/ 2,084	2/1,820	0	0	0	0	0
Total 8/.....	496,092	474,188				66,940	42,117
Total European shipments 1/...	401,560	387,752	4,520			9/38,616	9/23,520
Total ex-European shipments 1/...	123,352	142,424	1,968			9/ 9,864	9/ 11,312

1/ Eleven months
2/ Nine months
3/ Six months
4/ Broomhall's Corn Trade News
5/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
6/ Black Sea shipments only
7/ Total exports as given by official sources
8/ Total of trade figures includes North America as reported by Broomhall's.
9/ To August 3

Table 15.--Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	Net imports reported				
	1932-33	1933-34	July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	June 30	216	202
Germany	9	1/ - 4	May 31	1/ - 5	11
Italy	13	8	Apr. 30	7	6
France	39	18	Mar. 31	15	1/ -9
Belgium	41	41	May 31	40	37
Netherlands	26	24	June 30	24	19
Greece	20	12	Feb. 28	9	6
Czechoslovakia	7	2/	Feb. 28	3/	3/
Irish Free State	4/ 18	4/ 19	May 31	18	16
Switzerland	19	18	June 30	18	18
Austria	13	11	Dec. 31	4	4
Denmark	12	12	June 30	12	19
Sweden	4	2	June 30	2	1/ -2
Norway	8	9	June 30	9	9
Finland	4	4	May 31	4	4
Spain	8	2/	May 31	2/	2/
Poland	1/ -1	1/ -2	June 30	1/ - 2	1/ - 4
Estonia	3/	3/	Mar. 31	3/	3/
Portugal	3	1	May 31	1	1
Latvia	3/	0	Apr. 30	0	2/
Total	460	389		372	337

Compiled from official sources.
1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.
4/ Total imports.

Table 16.- Wheat, including flour: Shipments from principal exporting countries, specified dates, 1934-35 and 1935-36

Week ended	Argentina		Australia		Danube Basin		North America	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 6	3,120	3,148	1,668	940	8	248	2,888	1,720
13	3,544	2,308	2,004	2,564	32	248	3,608	1,568
20	4,616	3,100	1,972	1,320	8	96	3,624	2,288
27	3,396	1,380	2,004	1,668	64	0	3,072	2,632
Aug. 3	3,756	1,504	2,028	1,472	40	16	4,168	2,720
10	6,144	2,935	812	1,013	200	0	3,960	1,523
17	3,500	1,306	2,192	1,173	8	0	4,488	2,579
Total....	28,076	15,681	12,680	10,150	360	608	25,808	15,030

Compiled from Broomhall's Corn Trade News

Table 17.- Wheat: Stocks in specified continental European countries, June 15 and July 15, 1934 and 1935

Position	1934		1935	
	June 15	July 15	June 15	July 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
United Kingdom - (wheat and flour) 1/...	13,960	14,640	10,320	10,440
Antwerp	2,906	2,359	1,837	---
Rotterdam	1,705	1,727	698	536
Germany -				
Berlin (wheat and flour) 1/.....	2,704	2,576	3,061	2,833
"Second-hand" stocks... (wheat and flour) 1/ 2/	53,259	50,651	62,545	3/53,715
Farm stocks 1/.....	19,511	8,231	10,215	4,777
Other:				
Swedish mills stocks of wheat 1/.....	3,891	3,674	4,060	---

1/First of month
2/In warehouses and flour mills, domestic wheat and flour as well as foreign duty-paid and duty-unpaid. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills and therefore must contain most of the Berlin data.
3/Preliminary.

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WORLD WHEAT PROSPECTS

Summary

World wheat supplies outside of Russia and China in the 1935-36 season now appear likely to be about 330,000,000 bushels less than in 1934-35. Crop conditions now indicate that world production, excluding Russia and China, will probably be about 3,430,000,000 bushels or a decrease of about 29,000,000 bushels compared with last year, and the world carry-over excluding Russia at the beginning of the current crop year was apparently about 800,000,000 bushels, or a decrease of 300,000,000 bushels compared with a year ago. The crop in the Soviet Union is now estimated at around 100,000,000 bushels larger than last year with the increase largely in the export regions of the Black Sea. As a result, shipments of as much as 50,000,000 bushels might develop this year from Russia. Exports from Russia may be offset to some extent by increased imports into China where the wheat crop is reported to be smaller than a year ago.

The prospect of a decrease in world wheat production this year is due largely to smaller crops in the Southern Hemisphere and in North Africa. These decreases are offset somewhat by increases in the production in the United States. The wheat crop in the Northern Hemisphere is now indicated to be about 112,000,000 bushels more than last year. The Bureau estimates the North American production at about 896,000,000 bushels or about 112,000,000 bushels more than last year, and European production, taking into consideration all countries except Russia, at about 1,547,000,000 bushels or about 12,000,000 bushels more than last year. North Africa now appears to have a crop decrease of about 25,000,000 bushels and Asia

an increase of about 13,000,000 bushels compared with a year ago. European rye production, estimated at about 893,000,000 bushels, is not much different from the 895,000,000 bushels produced last year.

The wheat crop estimate for the United States at 594,615,000 as indicated by September 1 condition, is 13,000,000 bushels lower than indicated a month earlier, and the Canadian official estimate is 4,000,000 bushels less than forecast a month ago. Estimated European production excluding Russia, has been revised downward about 35,000,000 bushels during the past month, whereas, the estimates for the North African and Asiatic countries remain about the same as reported a month ago.

Conditions in Australia have improved somewhat during the past month, but drought conditions in Argentina continue to indicate an extremely small production. Both acreage and yields will doubtless be reduced in Argentina, and weather conditions in Australia and Argentina to date indicate that the outturn of the crop in those two countries may be as low as 115,000,000 bushels each compared with a total for both countries harvested last year of 373,000,000 bushels.

Total wheat supplies in the United States, based on the carry-over at the beginning of the year and prospective crop outturn are indicated at 747,000,000 bushels compared with the usual domestic utilization of about 625,000,000 bushels and normal carry-over of around 125,000,000 bushels. Millable supplies of hard wheats for the 1935-36 season, however, are below domestic requirements, and, much of the hard spring crop being light-weight, domestic utilization expressed in bushels, is likely to be greater than usual.

Wheat prices in the United States in general will remain above an export basis during most, if not all, of the 1935-36 season, with prices

of Hard Red Spring wheat holding near an import basis. Had the large surplus indicated last July materialized, thereby placing the United States on an export basis, prices would be materially lower.

Some increase over last year in wheat imports into Europe appears likely during the 1935-36 season on the basis of present information, though no substantial increase is in prospect unless abnormal market conditions develop. An increase would be chiefly due to the reduction in French supplies, removing that country from the ranks of exporters, and to increased takings by the United Kingdom, Belgium, and the Netherlands.

Smaller stocks of bread grains were carried over into the present season in nearly all European countries and present prospects are for remaining surplus stocks to be rather generally liquidated by the next crop season, except in Spain, Portugal, and possibly Czechoslovakia.

Total 1935-36 wheat supplies in principal exporting countries available for export or carry-over now appear to be only about 440,000,000 bushels, most of which amount is held by Canada, which places that country in a position to practically dominate world prices. Total surplus supplies in Australia and Argentina this year will be unusually small, but this may be partly offset by sizable exports from Russia.

World Wheat and Rye Crop Prospects

The 1935-36 world wheat crop, exclusive of Russia and China, as indicated above is now estimated at 3,430,000,000 bushels compared with 3,459,000,000 bushels in 1934-35 and with 3,762,000,000 bushels, the average production during the last 5 years. Revisions in the estimates for several countries during the past month have reduced the total for the current season 90,000,000 bushels from the total indicated in August.

The estimate of the United States is now placed at 594,615,000 bushels compared with the August estimate of 607,678,000 bushels and with the 1934 crop of 496,929,000 bushels.

The first official estimate of the Canadian crop is 290,541,000 bushels, which is only slightly lower than the 295,000,000 bushel estimate made in August by the United States Bureau of Agricultural Economics, compared with 275,849,000 bushels in 1934. The quality of the 1935 crop is reported to be definitely poorer than that of 1934, the amount unfit for milling being placed at 60,000,000 bushels.

The estimate of the European wheat crop, excluding Russia, has been reduced about 35,000,000 bushels during the past month and is now placed at 1,547,000,000 bushels compared with 1,535,000,000 bushels in 1934. The most significant change was the decrease of 18,300,000 bushels in the estimate for France. Many countries in Central Europe found threshing returns slightly below expectations, due in part to the very hot, dry weather which caused some premature ripening. The Scandinavian countries, however, reported very favorable harvesting weather and some improvement in crop prospects though in the case of both Norway and Sweden smaller wheat crops than last year are in prospect. The first official estimate of the Polish crop was 73,450,000 bushels compared with 76,440,000 bushels last year.

The 1935 European rye crop, excluding Russia, appears to be slightly above last year. The total in 17 European countries is reported at 782,000,000 bushels compared with 780,000,000 bushels in 1934 and 899,000,000 bushels in 1933. Both the German and the Polish crop are slightly below last year but Czechoslovakia and the countries in the Danube Basin reported increases.

The estimates of the wheat production in the North African and Asiatic countries remain about the same as reported last month.

The first official estimate of area sown to wheat in Argentina this season is 14,085,000 acres, a decrease of 25 percent from the 18,812,000 acres sown last season, the smallest since 1906-07. The largest wheat acreage on record in Argentina was 22,780,000 acres in 1928-29. Abandonment during the past 5 years has averaged 8.5 percent but above average abandonment is expected this season. The Ministry of Agriculture pointed out in their report that the estimate for the current season includes area already abandoned. Rains are urgently needed. About three-fourths to one inch fell in the Province of Entre Rios on September 7, but rainfall in the balance of the drought zone was negligible excepting in a small area in Cordoba. Because of the lateness and poor condition of the wheat sowings, it is thought that wheat yields cannot exceed 50 percent of normal in the Provinces of Cordoba and Santa Fe and in the Territory of La Pampa.

Some improvement has been noted in the condition of the crop in Australia. A cable received through the International Institute of Agriculture on September 17 stated that conditions in Western Australia had improved since the August report when unsatisfactory conditions had prevailed. Rust, however, is reported in the northern area of the State. General rains improved conditions in New South Wales.

Table 1.- Wheat: Production in specified countries, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	594,615
Canada	443,061	281,892	275,849	290,541
Mexico	9,658	12,122	10,950	10,611
Total (3)	1,198,507	822,989	783,728	895,767
Europe:				
Danube Basin (4)	221,569	367,464	251,283	310,440
Other Europe (26)	1,270,506	1,382,069	1,283,265	1,236,414
Total (30)	1,492,075	1,749,533	1,534,548	1,546,854
North Africa (4)	127,246	110,037	134,267	109,141
Asia (6)	457,511	516,996	514,520	527,167
Total, 43 count.	3,275,339	3,199,555	2,967,063	3,078,929
Southern Hemisphere				
Argentina	240,889	286,120	238,317	1/(115,000)
Australia	213,927	177,338	134,431	(115,000)
Estimated world total excluding Russia and China	3,854,000	3,788,000	3,459,000	3,430,000

Division of Statistical and Historical Research. Compiled from official sources and the International Institute of Agriculture.

1/ The Bureau correlation analysis for Argentina, assuming average weather conditions for September, October, and November and using the official acreage report, indicates a production of 130,000,000 bushels.

Table 2.- Rye: Production in specified countries, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	40,639	21,150	16,045	52,236
Canda	8,470	4,177	5,423	13,354
Total (2)	49,109	25,327	21,468	65,590
Australia 1/	23,543	26,314	21,932	22,125
Belgium	23,662	22,310	20,802	19,255
Bulgaria	9,030	9,683	6,576	7,755
Czechoslovakia	85,660	82,103	59,968	62,398
Estonia	7,113	8,735	9,064	6,456
Finland	12,966	14,672	15,542	13,543
Germany	329,255	343,570	299,496	297,188
Greece	2,087	2,800	2,466	3,031
Hungary	30,300	37,654	24,380	26,743
Italy	6,313	6,739	5,607	6,204
Luxemburg	496	575	548	465
Netherlands	13,863	15,601	19,788	16,476
Poland	240,556	278,460	254,476	251,246
Rumania	10,513	17,555	8,308	15,551
Spain	25,905	20,702	22,176	24,194
Switzerland	1,481	1,545	1,242	1,378
Yugoslavia	8,328	9,659	7,688	8,267
Total (17)	831,071	898,677	780,059	782,275

Division of Statistical and Historical Research. Compiled from official sources.

1/ Winter only.

The Wheat Supply Situation in the United States

The total wheat crop in the United States this year based on September 1 condition is estimated at 595,000,000 bushels, which with a carry-over of 152,000,000 bushels on July 1, 1935, makes total wheat supplies 747,000,000 bushels. The usual domestic utilization is about 625,000,000 bushels, and normal carry-over around 125,000,000 bushels.

The tremendous reduction in Hard Red Spring wheat prospects during July and August amounting to 101,000,000 bushels caused by the spread of the black stem rust, however, brought the millable supply of hard wheats for the 1935-36 season below the amount needed for domestic requirements. If the available supply of wheat were of normal milling quality and not unusually short of hard wheats, probable needs could be met by reducing the carry-over next July. But as now indicated, the large quantities of light weight wheat cause a shortage of Hard Red Spring wheat.

The black stem rust not only reduced the quantity but also caused a considerable amount of wheat to be low in test weight. Just how much of the light weight wheat will finally be used by millers is highly problematical. More bushels of wheat per barrel of flour will be required than normally and domestic consumption expressed in bushels will, therefore, probably be larger than usual. More of the very low test wheat will also probably be fed to livestock. The net imports, exclusive of milling in bond, may be in the neighborhood of 35,000,000 bushels, which figure would be about 6 percent of our normal wheat crop. If the wheat crop had turned out as indicated on July 1, a surplus of over 100,000,000 bushels more than the usual carry-over would have resulted.

Wheat Prices

The average farm price of wheat in the United States rose from 76.4 cents on July 15 to 81.5 cents on August 15. This rise was due largely to the rust and intense heat which reduced the wheat crop prospects about 125,000,000 bushels in 1 month. The September 15 farm price is expected to be somewhat higher than that for August 15. Market prices averaged generally lower for the week ended August 17 than for that of August 10. However, since that time, except for Durum and White wheats, prices have been higher. Thus No. 2 Hard Winter at Kansas City rose from 102 cents for the week ended August 17 to 113 for the week ended September 14. No. 1 Dark Northern Spring at Minneapolis rose from 123 to 131 cents, and No. 2 Red Winter at St. Louis rose from 91 to 98 cents. The rise in price of these types was due primarily to prospects that millable supplies of hard wheats would be less than domestic requirements. No. 2 Hard Amber Durum wheat prices rose from 117 cents for the week ended August 10 to an average of 118 cents for the next 2 weeks but then declined to 108 cents for the week ended September 7, owing to a decreased demand. For the week ended September 14, the price averaged 112 cents. Western White at Seattle declined from 76 cents for the week ended August 10 to 74 cents for the last week in August but then rose again to 76 cents for the week ended September 14. Prices in all markets rose sharply on September 17 as the result of war fears and a fuller recognition of the prospective crop shortage in the Southern Hemisphere. In mid-August, December futures at Chicago were about 11 cents over October futures at Liverpool. This

spread has recently narrowed because of the availability of Red Winter wheat which is deliverable on contracts in the Chicago market and because of hedging pressure. The spread between December futures at Kansas City and Liverpool, on the other hand, is only slightly smaller than in mid-August.

Table 3.-Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, July-September 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 6	93.4	110.9	72.8	58.1	73.6	72.8	229	9/130	229
13	92.7	109.0	71.9	57.0	70.3	73.1	228	---	228
20	95.4	113.7	72.2	59.3	73.6	74.2	229	9/123	229
27	99.3	111.3	74.2	63.2	77.6	73.1	227	9/117	227
Aug. 3	105.8	124.5	76.7	64.3	78.3	70.8	228	115	223
10	104.3	127.8	76.5	63.5	77.9	70.9	229	121	226
17	102.1	123.1	75.0	62.2	77.6	61.1	211	129	233
24	102.9	126.5	78.2	63.8	81.9	58.9	210		
31	107.3	128.6	75.4	63.5	82.7	59.9			
Sept.7	111.5	128.5	77.7	67.0	84.7	59.6			
14	113.3	131.5	83.4	72.4	89.2				

Prices are averages of daily prices for week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.
9/ Nominal.

Table 4.-Wheat: Closing Saturday prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	113	96	109	98	118	114	98	90	101	90	4/78	5/74
Low 3/	89	82	83	78	90	83	79	82	77	71	4/57	5/62
Aug. 24	105	91	102	92	111	106	88	85	92	81	6/71	5/64
31	104	90	102	92	110	108	84	82	91	80	6/68	5/64
Sept. 7	107	94	105	97	114	114	88	86	91	85	6/67	5/66
14	104	94	101	98	111	112	86	90	88	90	64	5/74

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ July 1 to date.
4/ October and December futures.
5/ November futures.
6/ October futures.

Table 5.-Wheat: Weekly weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White 1/ Seattle	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cent
High 2/	122	101	109	113	124	131	153	120	105	98	95	78
Low 2/	89	93	88	93	97	109	110	101	89	85	74	74
Aug. 24	117	97	107	103	119	127	145	118	102	93	88	76
31	118	100	106	107	118	129	148	113	102	91	88	74
Sept. 7	119	98	108	112	121	129	152	108	105	93	89	75
14	122	101	109	113	124	131	153	112	104	98	89	76

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery
2/ July 1 to date.

Estimated European Supplies and Prospective Import Requirements

The latest data on net imports of wheat and flour by 21 European countries, including the United Kingdom and excluding the Danubian surplus regions, indicate that net importation in the season July 1, 1934 to June 30, 1935 amounted to 356,000,000 bushels, as compared with 391,000,000 bushels in 1933-34. These totals together with figures for each of the countries are shown in Table 6, which also shows net imports reported thus far during the current season. On the basis of present indications it seems probable that net importation of wheat and flour into these same countries in 1935-36 might be in the neighborhood of 25,000,000 bushels more than imported in 1934-35, or about 380,000,000 bushels. This increase will be chiefly due to the reversal of the French situation, with France in 1935-36 probably a net importer, considering takings from North Africa as imports. Then, also, further increases in takings are to be expected for the United Kingdom as well as Belgium and the Netherlands, not only because of smaller crops but also because of the probability of a replenishment of depleted stocks. It is not improbable that Italy will also import increased quantities of wheat, especially in the category of milling in bond, although she appears to have harvested a much larger crop than last year.

Smaller stocks of bread grains were carried over into the present season in nearly all European countries and present prospects are for surplus stocks to be rather generally liquidated by the next crop season except in Spain, Portugal, and possibly Czechoslovakia. Some supplies may still exist in France, but will be of decidedly more normal proportions than those prevailing for the past few seasons.

United Kingdom

The noticeable decrease in imports into the United Kingdom during the past year, from 216,000,000 to 202,000,000 bushels, may be attributed in part to a reduction in port stocks and increased production in 1934. On July 1, port stocks of wheat and flour consisted of 10,000,000 bushels compared with 15,000,000 bushels a year earlier, while production (69,800,000 bushels) was 7,000,000 bushels larger in 1934 than in 1933. Port stocks on August 1, 1935 were 9,000,000 bushels compared with 14,000,000 bushels a year earlier. Port stocks may be expected to be at least partly replenished this season and with the crop in prospect estimated not much different from that in 1933, imports into the United Kingdom might be expected to approach the 216,000,000 bushels in 1933-34.

Germany

Total stocks of wheat and flour within the customs boundaries of Germany are estimated at 49,236,000 bushels as of August 1, 1935, compared with stocks of 55,115,000 bushels on the same date a year earlier. Since the 1935 wheat crop exceeds that of 1934 by just about the reduction in stocks as compared with those a year ago, the supply at the beginning of the new campaign is approximately the same as that at the beginning of the last campaign. German officials do not expect any bread grain imports during 1935-36.

Italy

Should the Italian wheat crop turn out to be as large as indicated by the official preliminary estimate very little if any foreign grain will be needed for ordinary domestic requirements. Stocks at the end of the crop year, however, were very small. As closely as can be determined there were practically no old crop goods in the Ammassi Collettivi, in General Warehouses, or in the hands of millers on August 1. It is believed that some 7,000,000 bushels were held in port storage and free zones representing holdings of the official organization SAFNI which arrived too late to be utilized at the end of the crop year. This grain has not passed through customs. With a crop in excess of 280,000,000 bushels and stocks of 7,000,000 bushels there is an adequate supply for home needs. Consumption during the past year is thought to have been less than 287,000,000 bushels but the corn crop is disappointing at present and added wheat supplies may be necessary.

The consumption in Italy this year will depend somewhat on how the Government handles supplies for troops in Africa. It appears that while domestic grain will be utilized for military supplies some foreign grain may also be purchased for this purpose. If previous practice is adhered to, foreign grain for military supplies to be used by expeditionary forces will be imported under milling in bond privileges and re-exported. More than ordinary amounts per capita will be consumed by the expeditionary forces and the milling in bond trade may show an increase during the year.

During 1934-35 purchases were made from a number of countries by the SAFNI, including, according to trade sources, 7,000,000 bushels from Hungary. It is rumored that a similar purchase is being arranged from Hungary for the present season. As far as domestic supplies are concerned, imports are doubtful and will not be needed before next spring.

The need for gluten content in flour and paste this year may be made up by substitution of supplies milled under temporary admission. This may be more difficult for Durum than bread wheats as during the past few months the SAFNI purchased very little Durum, causing difficulties in domestic paste manufacture.

France

The French crop estimated at 276,000,000 bushels plus stocks of 73,000,000 bushels as estimated by the Paris office of the Foreign Agricultural Service, makes a total of 349,000,000 bushels, as against a normal requirement of 323,000,000 bushels, an excess of 26,000,000 bushels. This excess, however, is only a normal carry-over and should not be considered an excessive supply. In addition some grain this year may not be milled on account of poor quality and the low specific weight requires relatively more grain for a given quantity of flour. Should the estimates shown above be approximately correct, the present season and the next harvest can be approached without the fear that has been present in recent years.

Belgium and Netherlands

Stocks in Belgium and Netherlands at the beginning of the new season were much below those a year ago and the reduction has contributed to holding down net imports of wheat in these two countries during 1934-35. As a result of both reduced crops and reduced stocks, net imports in the new season should exceed those made in 1934-35 by an appreciable amount.

Czechoslovakia

On the basis of present supply and consumption indications, no net imports of foreign wheat will be needed by Czechoslovakia in 1935-36. Even then the decline in the present heavy stocks during the course of the season, is likely to be small, provided that the crop turns out according to present expectations and consumption does not further decline.

Denmark

Stocks in the hands of Danish farmers at the beginning of the new season are reported to be rather small, but the trade is reported to have considerable quantities on hand. A census of all grains was taken on August 17, but the quantitative results have not as yet been received.

Sweden

Large quantities of old grains are said to be still available in Sweden.

Spain

There has been no investigation of total stocks existent or their position, the Government and trade only asserting that the surplus is 22,000,000 bushels. There are undoubtedly some further supplies but how much of a normal carry-over they constitute is not known.

With a crop approximating annual consumption and a surplus carry-over, no foreign wheat will be needed in Spain this year and from present appearance a surplus will be on hand at the time of the 1936 harvest.

Portugal

The quantity of old crop stocks on August 1 has not been determined, but on the basis of last year's crop at 24,690,000 bushels and a carry-over into that year of 3,307,000 bushels, the supply should have been 27,997,000 bushels. The Portuguese Minister of Agriculture in March stated that consumption for the year would approximate 12,860,000 bushels, leaving a surplus of 15,137,000 bushels. Whether such a quantity was actually carried over into the present season is not as yet known, but it is apparent that the carry-over on August 1 was very large.

Table 6.-Wheat, including flour: Net imports into European countries, year beginning July 1, 1933-34 to 1935-36

Country	1933-34	1934-35	Net imports reported July 1 to	1934-35	1935-36
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	216	202			
Germany	1/ - 4	11	Aug. 31	1	2/
Italy	8	11			
France	18	1/ -11			
Belgium	43	40			
Netherlands	24	19	July 31	1	2
Greece	12	11			
Czechoslovakia	3/	1			
Irish Free State	19	17	July 31	2	1
Switzerland	18	18	July 31	2	2
Austria	11	10			
Denmark	12	19			
Sweden	2	1/ - 2	July 31	3/	1/ - 1
Norway	9	9			
Finland	4	4			
Spain	3/	3/			
Poland	1/ - 2	1/ - 4	July 31	1/ - 1	1/ - 1
Estonia	2/	2/			
Portugal	1	1			
Latvia	0	3/			
Total	391	356			

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.

2/ Less than 500,000 bushels.

3/ Net exports of less than 500,000 bushels.

Wheat Supplies in Exporting Countries

Total 1935-36 wheat supplies in principal surplus producing countries available for export or carry-over now appear to be only about 625,000,000 bushels. Most of this amount is held by Canada, which places that country in a position to dominate world prices. August 1 stocks plus amounts available for export out of the new crop in Canada indicate a surplus for export or carry-over of about 390,000,000 bushels. Argentina and Australia together had on August 1 only about 95,000,000 bushels of old crop wheat and prospects are for possibly about 80,000,000 bushels for export or carry-over out of their new crop. Added to this, the Danube countries have a surplus of about 40,000,000 bushels. The above total excludes Russia, but as that country has a good crop in the export regions of the Black Sea, it seems reasonable to assume that there will be rather sizable exports, which will partly offset reduced supplies in the Southern Hemisphere, should the Soviet Government embark on such a policy. There has been no indication thus far of Russian wheat being dumped abroad, and if offers are not pressed upon foreign markets, Russian shipments may not interfere materially with Canadian dominance of world prices during the current season.

For Northern Africa as a whole, old crop carry-over is probably at least 18,000,000 bushels, but there will be only a small export surplus from the new crop. In Algeria there is a small amount of bread wheat and 7,000,000 bushels of Durum. In Tunisia there is a carry-over but not a large one, while in Morocco a considerable quantity of bread wheat on hand August 1 may permit an export of 3,674,000 bushels to France, besides providing the balance for local consumption not filled by the new crop.

Trade Agreements of the Danubian Countries 1/

The total quantity of wheat available for export during 1935-36, including carry-over from 1934-35, is now placed at about 42,250,000 bushels, consisting of 18,370,000 bushels of Hungarian wheat, 12,860,000 bushels of Rumanian, 8,080,000 Yugoslavian and 2,940,000 bushels of Bulgarian wheat.

Arrangements have been made for the marketing of the following quantities of Hungarian wheat during 1935-36:

Importing country		Definite	Optional	Total
		1,000 bu.	1,000 bu.	1,000 bu.
Austria	Wheat	5,510		
	Flour in terms of wheat . .	2,570		
	Total	8,080	0	8,080
Italy	Wheat	3,670	3,670	7,340
Switzerland	Wheat	2,200	1,470	3,670
Others, (approx.)	Wheat	1,100	0	1,100
	Total	15,050	5,140	20,190

1/ Based on reports from the Belgrade Office of the Foreign Agricultural Service.

The 1935-36 Hungarian export surplus being estimated at only 18,370,000 bushels, it appears that the marketing of the entire quantity available for export has been assured.

The Rumanian Government has recently concluded a series of wheat sales in payment of bond-holders' interests or on a barter basis. At mid-August it appeared that Rumania had market outlets for 11,000,000 bushels of wheat as follows:

Importing country	1,000 bushels
Great Britain	2,200
Switzerland	2,200
Italy and Austria	3,700
Dreyfus and Bunge	2,200
Greece	700
Total	11,000

The 1935-36 Rumanian export surplus being estimated at 12,860,000 bushels, additional outlets are to be found for only 1,860,000 bushels. It is probable that it will be relatively easy to find markets for this residue, as international grain firms established in Rumania are willing to buy wheat from the Government for export against the permission of importing industrial products. However, according to a statement recently made by the Rumanian Minister of Agriculture, the Government intends to consider this residue as a reserve for the time being, and no agreements will be entered upon with reference to it until later in the season.

The Yugoslavian Government is still negotiating with Czechoslovakia and Austria for the sale of wheat. According to the Czechoslovak-Yugoslavian commercial treaty, Czechoslovakia seemingly is obligated to purchase 3,670,000 bushels of wheat every year from Yogoslavia. Last year, however, Czechoslovakia bought much less than this quantity. Since Czechoslovakia needs practically no import wheat this year, present negotiations are conducted with the aim that Czechoslovakia should buy 3,670,000 bushels of Yugoslavian wheat on a barter basis, and dispose of this quantity on Western European markets. The Austro-Yugoslavian commercial treaty provides for an annual quota of 1,800,000 bushels of Yugoslavian wheat to be imported into Austria. Negotiations on the basis of these agreements are still in progress.

Recent Trends in Polish Agricultural Policy 1/

Beginning with the new crop year 1935-36, Polish policy has taken a new turn with respect to price-supporting measures for agricultural products, particularly grain. The practice of buying up grain through the Government Grain Office and holding it off the market, which has hitherto played an important role, is now to be given up. These supporting purchases, in conjunction with other measures, have encouraged the expansion of the grain acreage to such an extent that the government agencies have had to cope with increasing quantities of grain. It is said to be the intention of the

1/ Based on a report by L. V. Steere, American Agricultural Attache, Berlin.

Government from now on to limit the support of grain prices to that achieved behind the tariff wall through the grain export premiums, which will remain unchanged at 6 zloty per quintal. In the case of wheat this amounts to 31 cents per bushel and in the case of rye 29 cents per bushel.

The Polish Minister of Agriculture is said to hold the view that domestic grain prices should be brought gradually back to natural levels, this level, as long as Poland produces a real surplus, being the world market price plus the amount of the export premium or such margin as results from operations of the export-premium plan. This policy, it is held, will prevent any further expansion in production. The Minister is said also to be of the opinion that the direct exportation of grain, especially of rye, is detrimental from the standpoint of national economic policy, and that such agricultural exports as take place should be in the form of high-value products, such as livestock, meat and meat products, eggs and dairy products.

This general development is significant as a possible beginning of a turn also evident in certain other countries, away from the artificially and excessively encouraged production of cereals that set in throughout Europe with the decline in world agricultural prices around 1929-30.

Other Governmental Measures Affecting Bread Grains

Activity along the lines of agricultural protection or organization during August were generally of a minor character. They included a re-introduction of the wheat import license fee or tax in Belgium and grain import license taxes in Denmark. Both countries have resorted to a sliding scale for these tariffs, aiming at the assurance of specified domestic grain price levels. In Belgium it is the aim to secure for growers a minimum price of 78 cents per bushel, while in Denmark a price of 78 cents per bushel cif Danish ports is desired (65 cents per bushel cif Danish ports for rye). In France the Government took steps to improve prices by providing for loan advances, the setting up of a storage plan, much the same as was in force last year, and the permitting of greater milling of "free wheat", (wheat not at specific price) for a few weeks. Special measures were also adopted in Algeria for the absorption of the 1934 carry-over of bread and Durum wheat at relatively higher prices. In Czechoslovakia the Ministry of Agriculture has taken steps to prevent a further expansion of grain acreage and in the case of wheat to definitely reduce the acreage.

Winter Wheat Acreage Planned in the Soviet Union 1/

The 1935 fall sowings plan announced by the Council of the Peoples Commissars of the Soviet Union on July 28 calls for a winter crop area of 93,406,250 acres. This exceeds the 1934 plan by 73,000 acres only, and is quite in keeping with the recent Soviet policy of reducing, rather than expanding, the total area under winter crops. The collective farms are expected to plant 79,289,400 acres, the state farms 7,966,514 acres, and the individual farms a total of only 6,150,336 acres. The sowing campaign is to last from about August 25 to October 25.

1/ This article, together with the one which follows, was prepared by W. Z. Ladejinsky of the Foreign Agricultural Service.

One of the outstanding features of the plan is the increase in acreage under winter wheat; namely, from 32,000,000 acres in 1934 to 34,744,000 in 1935. The latter figure is still below the planned area of 1931 and 1932, but should the 1935 plan be carried out, it would constitute the largest winter wheat acreage reported in the Soviet Union during the post-war period. Considering that the winter crop areas of 1934 and 1935 are of practically the same size, and that only small quantities of winter barley and of industrial crops are planted in the fall in the Soviet Union, the increase in wheat acreage will result in a reduction in the large winter rye sowings. Such an outcome will be in accord with the policy of the Soviet Government to expand the more valuable winter wheat acreage at the expense of the less valuable winter rye.

Another feature of the plan is the regional distribution of the winter wheat area. In comparison with the previous year the acreage of the principal Soviet wheat region, the Ukraine, is to be increased by almost 330,000 acres and those of the second and third largest regions, Azovo-Chernomorsk and North Caucasus, by 368,000 and 487,000 acres, respectively. The remainder of the contemplated increase is distributed chiefly among the central and northern regions of the Union. This indicates, therefore, that the Soviet Government is continuing its policy of expanding the winter wheat acreage northward into the non-black-soil area of European Russia, into the Central Black Soil region and into the Middle Volga. The fall plan also provides that, while 60 percent of all the winter planting shall be done with selected seeds, in the case of wheat this figure shall be not less than 81 percent.

The size of the winter crop area of the individual farmers is of significance. Even if the individual farmers should succeed in seeding the area allotted to them, it would amount to only 6 percent of the total area under winter crops in 1935, compared with 14 percent in 1934. This is another illustration of how rapidly individual farming is giving way before the advance of collectivistic agriculture, sponsored and supported by the Soviet Government.

The 1935 Fall Plowing Plan in the Soviet Union

On August 27 the Council of Peoples Commissars of the Soviet Union announced the fall plowing plan for spring sowings. It calls for an area of 146,000,000 acres as against 104,000,000 acres in 1934, an increase of 42,000,000 acres. Of this total the collectivized farmers are expected to plow nearly 124,000,000 acres, the state farms over 19,000,000 acres, and the individual farmers over 4,000,000 acres. The realization of this program would mean that the decision of the XVII Communist Party Congress to plow in the fall of 1937 half of the sown area in the Soviet Union was actually carried out during the second year of the Second-Five-Year-Plan. But the real significance of the 1935 program lies in the fact that, having added to the specified area the fallow land and that under row-crops, only 12 percent of the total area planted to spring crops would have to be plowed in the spring of 1936. Another feature of the plan is that in a number of southern and southeastern grain regions all the plowing will be done in the fall and none in the spring. In view of the great concern of the Government over such crops as cotton and sugar beets, the plan specifies that the entire area under these crops must be plowed in the fall.

Table 7.- Soviet Russia: Area sown to all winter crops and winter wheat, 1928-29 to 1935-36

Year	All winter crops		Winter wheat	
	Area planned	Area sown	Area planned	Area sown
	Million acres	Million acres	Million acres	Million acres
1928-29	---	92	---	24
1929-30	---	92	---	25
1930-31	106	99	31	29
1931-32	107	99	37	32
1932-33	104	1/ 92	36	28
1933-34	94	91	31	30
1934-35	93	90	32	30
1935-36	93	---	34.7	---

Official sources and International Institute of Agriculture
1/ Estimated.

Table 8.- Soviet Russia: Plan of winter sowings by type of farm, 1930-1935

Year	Collective farms	Individual farms	State farms	Total
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1930	38,716	63,949	3,588	106,253
1931	64,246	35,632	7,067	106,945
1932	72,054	22,963	8,649	103,666
1933	68,731	16,753	8,438	93,922
1934	71,659	13,343	8,293	93,295
1935	79,257	6,148	7,952	93,367

Official sources.

The larger the area prepared in the fall, the greater are the chances of raising the yields and of relieving the pressure during the spring sowing campaign. It is pointed out in this connection that in those regions of the Ukraine where the fields were plowed in the fall, planting was completed in 4 to 6 days. This left ample time to attend to the fallow land, to cultivate the row-crops and to make the necessary preparations for the harvesting season. The Soviet Government is particularly concerned with the eastern agricultural regions which during the last 2 years have failed to keep pace with the progress achieved in the southern agricultural regions. In the fall of 1934 the plowed land in Western Siberia for spring crops was only half as large as that in 1933. The difficulties experienced there during the spring and summer of 1935 are attributed largely to this factor. Hence, the insistence that one of the chief prerequisites toward the improvement of agricultural conditions in Western Siberia is the successful completion of the plowing plan.

Despite the large increase over last year's program, the Government does not anticipate any difficulty in the timely completion of the plan. The collective farms are equipped now with a greater number of draft animals and of a better quality than in 1934. But much of the success of the plan will depend upon the proper utilization of the tractors. On August 10 the number of tractors in the machine-tractor stations was increased by 65 percent in comparison with that of last year on a similar date. It is expected that they will plow a total of 67,000,000 acres. In addition to the positive role which better equipment is expected to play during the fall season, the various measures promulgated during the past months, aiming to benefit the collectivized farmers, lead the Government to look forward to a fulfilment and a possible over-fulfilment of the 1935 fall plowing plan.

The Liverpool Wheat Market Situation during August 1/

Wheat news and developments during August were generally favorable for the maintenance of wheat prices in United Kingdom markets. Continued reports of rust damage and reduced crop prospects in the United States and especially Canada provide a constantly strong undertone in the market. During much of the month there were also the additional reports of severe drought in Argentina. A scarcity of Plate offers and continued small world shipments likewise helped to offset what would normally have been a decidedly depressing influence in the form of larger Russian offers, cheaper French and Swedish wheat sales, and increasing evidence that the 1935 European wheat crop was relatively good.

Russian wheat is now being offered in European markets and good sales have been reported in the United Kingdom. The quality of the early offerings has been reported good and generally comparable with No. 3 Manitoba. Offers were not pressed upon the market; in fact, have been largely for September shipment and at fairly steady prices. Present crop information indicates that the wheat production in the southern export regions is significantly larger than last year, so that exports may be in the

1/ Prepared from a report of Assistant Agricultural Attache Gordon P. Boals at Berlin, which includes information from the London office of the Foreign Agricultural Service.

neighborhood of 50,000,000 bushels. Whether large exports will be made, however, depends almost entirely upon the Soviet Government policy and the trend of wheat prices. There has been no indication of dumping offers, which have characterized sales in some earlier years. The spread between Canadian and Argentine wheat has narrowed notably during the month so that a marked shift to business in Manitobas probably would have been more evident had not Russian wheat entered the picture. Argentine wheat was offered very sparingly. Some Danubian wheat also appeared and a special deal with Rumania was arranged for a nominal quantity to help pay interest payments on bonds. Demand for new crop English wheat was reported very good but prices were rather low due to cheap French and Swedish wheat offers.

The Continental European Wheat Market Situation during August 1/

European import buying of overseas wheat during the month of August was of fairly good volume, notably during the second half of the month. This was particularly the case for the United Kingdom, Belgium, and Holland, whereas Central European countries abstained almost entirely from overseas purchases. Italy is reported very recently to have bought some of the surplus Durum supplies left over in Morocco, but no appreciable volume of overseas takings has occurred in that country. A feature of the August market developments was the entry of Russian wheat on European markets. Sales to Belgium, Greece, and Norway were reported. French and Swedish wheats continued to be offered at low prices though not in large volume.

Prices of overseas wheat in Europe showed remarkable strength during the second half of the month. Domestic wheat prices on the Continent have also shown considerable strength in several countries, notably Italy and Austria, though they have not been fully reflected by official quotations. A somewhat stronger tendency was also observed recently in France, Spain, and on certain Polish markets.

Germany

The market for bread grains in Germany during the month of August remained quiet, but larger purchases were made, especially in western Germany, of "contingent grain", i.e., such wheat and rye as fall under the delivery contingents destined for human consumption. Offerings on the part of farmers were conservative and, as far as contingent grain was concerned, were dependent upon the allotment of contingent stamps (see World Wheat Prospects, August, 1935, page 15). One third of the total contingent, it is said, is being distributed to farmers at the present time. Deliveries of contingent grain unaccompanied by contingent stamps cannot be taken up by the trade or the flour mills.

France

The market has been decidedly weak in spite of a technically improved supply position. It is claimed that prices to producers were as

1/ Prepared from a report of Assistant Agricultural Attache Gordon P. Boals at Berlin, which includes information furnished by other European offices of the Foreign Agricultural Service. All price quotations have been converted at current rates of exchange.

low as 90 cents per bushel. During the first week of August, $1.14 to $1.17 per bushel c.i.f. Paris was quoted, which price continued up to the last of August. An announcement that the Minister of Agriculture had arranged for advances to producers immediately firmed the market and prices for free wheat became $1.23 to $1.24 c.i.f. Paris. There are two categories of wheat in France at present, the free wheat which may be sold for what it will bring and the wheat "taken in charge", for which a price of $1.59 per bushel is supposed to be paid. It is true that the "taken in charge" grain is bringing considerably more than "free" wheat but the price is not always respected, quotations of $1.42 to $1.48 having been reported the latter part of the month. Grain is "taken in charge" by the Government and mills are compelled to incorporate such wheat in their grist as a percentage of their total grindings.

Complaints against low prices have been many and vigorous with various explanations advanced. The most important factor is an apparent need for ready cash on the part of farmers which forced selling. The policy of millers in buying from hand to mouth in recent months has kept supplies from moving readily. The measures to be taken for providing advances will do much to strengthen the situation. No futures market exists and holders of grain cannot sell for later delivery or millers hedge their purchases. This has been rather important in view of the uncertainty as to what steps would be taken or changes made in the percentages of the two categories of wheat to be used. The miller naturally is hesitant about buying the higher priced grain if a new decree is to appear permitting a greater use of the cheaper category of free wheat. Early in the month a decree appeared reducing the percentage of obligatory incorporation in milling of wheat "taken in charge" from 50 to 25 percent for the period August 5 to September 15. This was to permit a wider purchase of free wheat and strengthen the weak market. Following the usual rush of selling just after harvest, it is expected that the market will strengthen.

Belgium and Netherlands

Both Netherlands and Belgium reported considerable purchases of foreign wheat during August. Imports are indicated to flow into consumption rather quickly, since existing unsold stocks are rather small. There was considerable demand for Plates as well as for near Manitobas. Russian and Swedish wheat were also purchased, the latter being the cheapest in the market in the month of August. The Dutch Government is reported to have purchased 478,000 bushels of German feed wheat on a compensation basis against the delivery of hogs, for which there is a considerable demand in Germany, in view of present restricted supplies. While the re-imposition of the license tax in Belgium was being considered, it acted as a stimulus for purchases by that country.

Czechoslovakia

The Czechoslovakian bread grain markets during August recovered at last from their long period of relative inactivity with considerably increased transactions reported in both wheat and rye. It appears that flour mill stocks of bread grains were low, and this seems to account for the increased buying interest recorded all over the country.

Austria

Firm prices and active trading in bread grains, feed grains and flour were reported for Austria throughout the month of August. The price increases for feed grains and other feedstuffs recorded were largely due to the July increase in the import license tax on feed barley and corn, but also to buying on the part of Italy. Turnover in wheat was almost exclusively domestic new crop transactions, with almost no foreign wheat traded during the month.

Sweden

Business in bread grains is reported to have revived during August and offerings of new crop grain increased toward the end of the month. Some export of Swedish wheat from old stocks was effected notably to Netherlands and England.

The Shanghai Wheat Market 1/

The Shanghai wheat and flour market advanced sharply during the week of September 20 due to higher foreign wheat prices and local speculative buying. No foreign wheat, however, had been sold during the previous 6 weeks, quotations being too high compared with local flour prices. Domestic wheat arrivals appear sufficient for present mill operations.

Flour demand continued fair but was below average for this season of the year. Present Shanghai stocks consist of 1,400,000 bags, which in former years would have been considered normal, but due to present tight credit conditions are considered by mills to be too large. The large flour milling company representing 50 percent of the Shanghai milling capacity closed all its mills on September 20 due to financial difficulties, but expects to open them again in about 2 weeks. This company holds 85 percent of the Shanghai flour stocks.

Shanghai prices of wheat, duty included, for the week of September 20 were quoted as follows: For October shipment, Australian (New South Wales) 97.22 cents per bushel, South Australia 100.57 cents per bushel; domestic standard for October delivery 80.12 cents per bushel and for November 82.14 cents per bushel. Shanghai flour for September delivery was 94.24 cents per bag of 49 pounds, for October 95.36 cents per bag, and for November 96.85 cents per bag. Australian flour, c.i.f. Hongkong, was $3.50 per barrel of 196 pounds.

1/ Based on a radiogram from the Shanghai office of the Foreign Agricultural Service, dated September 20, 1935.

Table 9.- Wheat, including flour: Shipments from principal exporting countries, specified dates, 1934-35 and 1935-36

Week ended	Argentina		Australia		Danube		North America	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 6	3,120	3,148	1,668	940	8	248	2,888	1,720
13	3,544	2,308	2,004	2,564	32	248	3,608	1,568
20	4,616	3,100	1,972	1,320	8	96	3,624	2,288
27	3,396	1,380	2,004	1,668	64	0	3,072	2,632
Aug. 3	3,756	1,504	2,028	1,472	40	16	4,168	2,720
10	6,144	2,948	812	1,008	200	0	3,960	1,560
17	3,500	1,312	2,192	1,188	8	0	4,488	2,880
24	3,432	4,016	3,112	1,704	0	304	4,864	2,640
31	2,884	1,892	1,144	1,080	0	184	3,664	2,584
Sept. 7	4,552	2,432	1,344	1,388	16	88	3,056	2,256
14	4,228	3,433	1,192	1,556	0	456	4,672	2,633
21	3,216	2,555	1,472	2,385	32	10	3,936	3,569
Total	46,388	30,028	20,944	18,271	408	1,650	46,000	29,050

Compiled from Broomhall's Corn Trade News.

Table 10.- United States: Exports of wheat and wheat including flour, 1934-35 and 1935-36 1/

Period	Wheat		Wheat flour		Wheat incl. flour	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July (total)	825	66	286	248	2,168	1,231
Week ended -						
Aug. 10	1,010	1	82	25	1,395	119
17.....	360	0	74	23	708	108
24.....	227	0	61	14	514	66
31.....	166	0	32	22	316	103
Sept. 7.....	1	0	57	14	269	66
14.....	13	10	36	37	182	184

Compiled from weekly reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 11.- Wheat, including flour: Movement from principal exporting countries, 1932-33 to 1935-36

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1932-33	1933-34	1934-35	1933-34	1934-35	1935-36	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	41,210	37,002	21,532	1,391	2,168	1,231	July 31
Canada	267,342	198,555	169,630	29,405	31,379	34,329	Aug. 31
Argentina	120,272	144,849	187,000	31,257	35,948	22,234	Aug. 31
Australia	148,552	86,509	108,007				
Russia	19,676	33,787	1/ 4,140				
Hungary	7,010	29,615	12,499				
Yugoslavia	1,162	839	4,440				
Rumania	179	248	3,432				
Bulgaria	3,144	4,769	2/ 7				
British India (L & S)	2,169	2,084	3/ 2,001				
Total	610,716	538,257	512,688				

	Shipments as given by trade sources						
	Total		Week ended 1935			July 1 - Sept. 21	
	1933-34	1934-35	Sept. 7	Sept. 14	Sept. 21	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 4/	220,616	168,712	2,256	2,633	3,569	46,000	29,050
Canada, 4 markets 5/	194,213	176,059	4,081	5,101		59,132	
United States	37,002	121,532	66	184			
Argentina	140,128	186,228	2,432	3,433	2,555	46,388	30,028
Australia	90,736	111,628	1,388	1,556	2,383	20,944	18,271
Russia 6/	26,656	1,696	1,296	592	1,008	1,080	5,560
Danube and Bulgaria 6/	15,872	4,104	88	456	10	408	1,650
British India	7/ 2,084	3/ 2,001	0	0	0	256	0
Total 8/	496,092	474,369				115,076	84,559
Total European shipments 1/	401,560	387,752	6,504			9/79,504	9/51,936
Total ex-European shipments 1/	123,352	142,424	1,736			9/22,288	9/21,336

1/ Eleven months.
2/ Six months.
3/ Land trade not included April - June 1935.
4/ Broomhall's Corn Trade News.
5/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
6/ Black Sea shipments only.
7/ Total exports as given by official sources.
8/ Total of trade figures includes North America as reported by Broomhall's.
9/ To September 7.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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WORLD WHEAT PROSPECTS

Summary

Total world supplies excluding Russia and China in 1935-36 are now estimated at about 4,360,000,000 bushels, a decline of 240,000,000 bushels from the 1934-35 season, and over 500,000,000 bushels below the average supplies available during the period 1928-32. Estimated world production outside of Russia and China during 1935-36 of around 3,490,000,000 bushels is only slightly larger than the production of the previous year and about 370,000,000 bushels below average production during the years 1928-32. The reduced supplies this year result from lower stocks in all of the major countries except Canada. Should crops in the Southern Hemisphere turn out as expected, stocks will probably decline further by at least 125,000,000 bushels by the end of the 1935-36 season which would bring them well down toward normal.

With another small wheat crop in the United States and a prospective heavy reduction in the crop in the Southern Hemisphere, the export market will be dominated by the policy governing the disposal of the large Canadian supplies during 1935-36. Supplies of wheat in the exporting countries, available for export or carry-over in 1935-36, are estimated at about 720,000,000 bushels, of which Canada alone could supply 395,000,000 bushels. In addition, Russia could probably supply about 50,000,000 bushels, the amount actually exported depending largely upon governmental policy in that country.

Import requirements for wheat during 1935-36 are estimated at about 560,000,000 bushels of which about 385,000,000 bushels are for European importing countries and 175,000,000 for ex-Europe. In 1934-35 imports were

about 530,000,000 bushels. The increased requirement is expected to result from smaller crops in European importing countries and the Orient, and the desire of some countries to build up existing low stocks because of expected higher prices and the unsettled political situation in Europe. Imports into the United States will be a factor this year in international trade in wheat.

Domestic wheat prices continue considerably above export levels, which is to be expected during most, if not all, of the 1935-36 season, supplies of millable hard wheat being less than domestic requirements.

Production

The 1935-36 world wheat crop, exclusive of Russia and China, is now estimated at 3,488,000,000 bushels compared with 3,469,000,000 bushels in 1934-35 and 3,788,000,000 bushels in 1933-34. The total for the current season has been increased nearly 60,000,000 bushels during the past month, due principally to upward revisions in crop estimates for the Southern Hemisphere countries. The estimate of the United States crop has been raised 4,300,000 bushels, North Africa 1,000,000 bushels, but the total for Europe has been lowered 2,400,000 bushels. The estimate for the Asiatic countries for 1935 remains unchanged but the 1934 total has been revised upward because of the revised estimate of the Turkish crop.

Estimates of production in 30 European countries total 1,544,000,000 bushels compared with 1,536,000,000 bushels in 1934 and 1,750,000,000 bushels in 1933. A country-by-country examination of yields shows slightly smaller yields per acre this season in Europe than last year, but still above the past 5-year average. The low average yields in Spain and France this year exert a very large influence on the European average because of the large acreage and production in these two countries. Germany, Italy, and Czechoslovakia show further increases in yields and the larger crops in these countries in 1935 are primarily dependent upon the higher yields which were above average for both Germany and Italy. The 1933 year still stands out as the year of record yields for Europe as a whole and most of the individual countries. In the case of the Baltic States, the British Isles, Sweden and the Netherlands, however, peak yields were reached in 1934.

The estimates of wheat production in the North African and Asiatic countries remain about the same as reported last month.

Table 1.- Wheat: Production, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	598,935
Canada	443,061	281,892	275,849	290,541
Mexico	9,658	12,122	10,950	10,611
Total (3)	1,198,507	822,989	783,728	900,087
Europe:				
Danube Basin (4)	221,569	367,464	251,283	301,007
Other Europe (26)	1,270,506	1,382,069	1,285,097	1,243,452
Total (30)	1,492,075	1,749,533	1,536,380	1,544,459
North Africa (6)	127,445	110,294	134,627	110,566
Asia (6)	457,511	516,996	525,685	527,167
Total 45 countries	3,275,538	3,199,812	2,980,420	3,082,279
Southern Hemisphere				
Argentina	240,889	286,120	238,317	1/ (150,000)
Australia	213,927	177,338	133,489	135,000
Estimated world total excluding Russia and China	3,854,000	3,788,000	3,469,000	3,488,000

Division of Statistical and Historical Research.

1/ Based on a report from the Buenos Aires office of the Foreign Agricultural Service. A study of the relationship between weather and the yield of wheat in Argentina as made in this office indicates a crop of about 115,000,000 bushels.

Recent weather conditions in Argentina have been more favorable for the growth of the wheat crop. Good rains were received over a wide area of the wheat zone at the end of September and further rains have been reported during the current month. The Agricultural Attaché at Buenos Aires, on the basis of October 15 conditions, estimated that the crop may reach 150,000,000 bushels, which figure has been used in computing the world total production. A smaller crop, however, is indicated by the Bureau's weather and yield study, based on incomplete weather data and assuming average conditions for the remainder of the growing season.

The first official estimate of the Australian crop is 135,000,000 bushels produced on 11,970,000 acres compared with 133,489,000 bushels on 12,567,000 acres in 1934-35. The average production during the years 1930-31 to 1934-35 was 185,792,000 bushels. There has been a gradual decrease in the wheat acreage in Australia from the high of 18,165,000 acres reached in 1930-31.

Uruguay, which is the only other Southern Hemisphere country which has issued an estimate of the acreage sown to wheat, reports 1,227,000 acres for 1935-36 compared with 1,099,000 acres in 1934.

The 1935 European rye production, excluding Russia, is estimated at 880,000,000 bushels compared with 895,000,000 bushels in 1934 and 1,005,000,000 bushels in 1933. Germany, Poland, and France have reported crops slightly under 1934 but Czechoslovakia, Hungary, and Spain have slightly larger crops. The European potato crop appears to be smaller than in 1934. Preliminary estimates from 14 countries which last year represented about 65 percent of the European potato crop, exclusive of Russia, total 3,068,000,000 bushels, a decrease of 15 percent from the 3,589,000,000 bushels produced in the same countries in 1934. The German crop is about 15 percent less and the Polish crop about 12 percent less than last year. No estimate of the French crop is available.

Prices

Wheat prices in the United States during the month ended October 12, rose in harmony with higher world prices, caused principally by the unsettled political situation in Europe and continued poor crop prospects in the Southern Hemisphere countries. However, prices declined during the following week largely as the result of the uncertainty as to the policy of the Canadian Wheat Board relative to the disposal of that country's wheat, improved prospects in Argentina and lessened tension in Europe. United States prices continue considerably above export levels, which is to be expected during most, if not all, of the 1935-36 season, supplies of millable hard wheat being less than domestic requirements.

The average farm price of wheat in the United States rose from 81.5 cents on August 15 to 86.2 cents on September 15. This rise reflected in part an even greater rise in Liverpool values. In harmony with higher prices in principal markets the October 15 farm price is likely to be materially higher than the September 15 farm price. With hard spring wheat being imported this year, it is expected that the price of such imported wheat, which will be determined largely by the price in Canada, will cause prices of hard wheats in the United States to be higher than those for soft wheats, the supplies of which are adequate for domestic needs. Prices of all wheats have gone up since June, when it was thought that the United States would have a significant surplus available for export. Prices of hard wheats, however, went up much more quickly than prices of soft wheats, the latter making most of their gain during the past month as the result of an increased demand for this type of wheat to supplement the short supplies of millable hard wheats. For the week ended September 7, No.2 Red wheat at St. Louis had risen only 9 cents from the low level in June, at the same time that No. 2 Hard Winter at Kansas City and No. 1 Dark Northern Spring at Minneapolis each had risen about 26 cents. No. 2 Red Winter at St. Louis, however, rose 20 cents, from an average of 93 cents for the week ended September 7 to 113 cents for that ended October 12, while No. 2 Hard Winter at Kansas City rose 11 cents, from an average of 112 cents for the week ended September 7 to 123 for that ended October 12, and No. 1 Dark Northern Spring rose 10 cents, from 129 to 139 cents, for the same period. During the following week a part of the general rise was lost, No. 2 Red Winter at St. Louis declining 4 cents and No. 2 Hard Winter at Kansas City and No. 1 Dark Northern Spring at Minneapolis declining 7 and 6 cents, respectively.

Table 2.- Wheat: Closing Saturday prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenoa Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	113	108	109	111	114	126	98	95	101	99	4/78	5/81
Low 3/	89	82	83	78	83	83	78	82	75	71	4/57	5/62
Sept. 21	104	99	102	103	111	119	86	93	84	94	62	81
28	103	98	100	101	109	118	84	89	81	91	60	74
Oct. 5	97	108	96	111	105	126	81	94	77	97	58	81
12	101	104	99	108	107	121	82	91	79	95	58	79
19	97	101	96	103	104	118	78	89	74	95	56	76

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ January 1 to date.
4/ October and December futures.
5/ November and December futures.

Table 3.- Wheat: Weighted weekly average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	122	112	109	123	124	139	153	121	105	113	95	90
Low 2/	89	93	88	93	97	109	110	101	89	85	74	74
Sept. 21	119	105	107	117	120	136	150	113	103	107	87	83
28	117	106	106	118	118	136	148	113	103	105	88	82
Oct. 5	113	111	102	122	115	137	145	116	98	110	82	88
12	115	112	103	123	116	139	149	121	101	113	84	90
19	116	105	104	116	116	133	147	118	101	109	87	

1/ Weekly average of daily cash quotations, basis No . 1 sacked 30 days delivery.
2/ July 1 to date

Table 4.- Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, August - October 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 3	105.8	124.5	76.7	64.3	78.3	70.8	---	---	---
10	104.3	127.8	76.5	63.5	77.9	70.9	228	115	223
17	102.1	123.1	75.0	62.2	77.6	61.1	229	121	226
24	102.9	126.5	78.2	63.8	81.9	58.9	211	129	233
31	107.3	128.6	75.4	63.5	82.7	59.9	210	---	---
Sept. 7	111.5	128.5	77.7	67.0	84.7	59.6	212	156	242
14	113.3	131.5	83.4	72.4	89.2	61.7	212	153	244
21	117.1	136.0	86.3	80.7	96.1	66.0	212	151	
28	117.7	135.5	82.4	77.2	96.6	70.3			
Oct. 5	121.9	137.3	85.4	80.7	101.0				
12	122.7	138.6	84.6	78.7	100.2				
19	116.4	132.7	81.4	78.1	99.7				

Prices are averages of daily prices for week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain , Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter
2/ No. 1 Dark Northern Spring
3/ No. 3 Manitoba Northern
4/ Near futures
5/ Home-grown wheat in England and Wales
6/ Domestic
7/ Central German wheat, wholesale trade price free Central German station
8/ Free market prices from January 1, 1935.

World Wheat Carry-Over

World wheat stocks, excluding Russia and China at the end of the 1934-35 season were about 870,000,000 bushels compared with about 1,130,000,000 bushels a year earlier. Surplus stocks in Argentina, Australia, and afloat to Europe, declined sharply while carry-over stocks in Canada increased. European stocks including the Danube Basin also declined. In the light of prospective world import requirements and available supplies it would appear that the carry-over at the end of the 1935-36 year will be reduced at least 125,000,000 bushels, which would bring them down well toward normal.

Table 5-. Wheat: Estimated world old crop stocks 1/, excluding Russia and China on July 1, 1934 and 1935.

Countries	1934	1935
	Million bushels	Million bushels
United States	286	152
Canada	219	223
Argentina 1/	107	62
Australia	81	51
Afloat to Europe	33	28
Total of above	726	516
Importing Continental Europe 2/	276	230
United Kingdom	(40)	(35)
Danube Basin	(33)	(22)
North Africa	(10)	(20)
Afloat to ex-Europe	(11)	(11)
Others	(35)	(35)
Total of above	405	353
Grand total	1,131	869

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1/ Surplus for export or carry-over in the case of Argentina and Australia.
2/ August 1. See note 3, page 8, this issue.

Table 6-. Stocks: Estimated carry-over of old-crop wheat in specified European countries, August 1, 1936 with comparisons 1/

Country	Est. normal year-end requirements 2/	Aug 1, 1934 estimate 3/	Aug 1, 1935 estimate 3/	Prospects August 1, 1936 3/
	Million bushels	Million bushels	Million bushels	Million bushels
Austria	1.8	1.6	1.7	2.0
Belgium	4.4	4.0	2.9	4.0
Czechoslovakia	5.0	12.8	12.9	14.5
Denmark	1.1	1.1	1.5	1.0
Estonia	0.2	0.2	0.5	0.5
Finland	0.6	0.6	0.7	0.5
France	23.9	102.9	73.5	51.5
Germany	12.9	55.1	49.2	40.5
Greece	2.8	2.7	2.9	3.0
Italy	22.0	47.8	18.4	24.0
Latvia	0.4	1.0	0.9	0.5
Lithuania	0.6	0.6	0.7	0.5
Netherlands	2.9	3.3	1.8	3.0
Norway	0.7	1.8	1.5	1.5
Poland	4.6	9.2	6.4	5.5
Portugal	1.4	3.3	7.9	7.0
Spain	10.5	18.4	36.8	25.5
Sweden	1.8	3.7	3.5	2.0
Switzerland	2.9	6.4	6.8	6.5
Sub-total	100.5	276.5	230.5	193.5
Danube Basin	27.6	33.1	22.0	35.0
Grand total	128.1	309.6	252.5	228.5

1/ Reported by Assistant Agricultural Attaché Gordon P. Boals, Berlin.
2/ In general, this approximates one-month average requirements for human consumption.

3/ August 1 is an arbitrary date and is used to represent the most general crop year-end for European countries. In the Danube Basin and southern European countries July 1 is more appropriate and in some northern countries August 15 or even September 1 would be better but the stocks given are only for old-crop stocks.

Current and Prospective Continental European Stocks 1/

Marked improvement has been made in the wheat stocks and carry-over situation in European countries during the 1934-35 season and a further reduction in the total is in prospect for the coming 1935-36 year. Compared with "normal" stocks, however, the total carry-over of old-crop wheat on August 1 this year still appears very large. A feature of the present stocks situation is that the surplus carry-over is largely concentrated in a very few countries which in turn have not figured to any important extent in the overseas wheat trade during the last several years. As the present level of production in these countries so closely approximates normal consumption requirements. a rapid reduction in stocks could only occur by export or greatly reduced crops.

The total carry-over stocks of wheat on August 1, 1935 in continental countries including the Danube Basin export region, is estimated at about 250,000,000 bushels compared with around 310,000,000 bushels a year ago and "normal" year-end requirements of about 130,000,000 bushels. The total reduction the past year appears to have been about 60,000,000 bushels, most of which occurred in France and Italy with some smaller decreases for the Danube Basin, Germany, and Poland, and also in port stocks. A sharp increase in stocks in Spain and Portugal, however, partly offset this decrease.

On the basis of present prospects and production estimates the total wheat carry-over on August 1, 1936 in continental countries should show a further net decrease of 20,000,000 to 25,000,000 bushels, and excluding the Danube Basin a decrease of around 35,000,000 bushels from present levels. While several revisions in production are expected and cannot be fully taken into account at this time, it is believed that the most significant changes in stocks that will occur during the coming season will be another sharp reduction in France, a moderate decrease in Spain, and some reductions for Germany and Sweden, but increases in the Danube Basin, probably Czechoslovakia and possibly Italy. Other changes, except port stocks, are not likely to be important from a quantity basis. During the past season port stocks have been reduced to unusually low levels in most continental and British ports and to the extent that they are built up again during the next year, it will directly strengthen the demand situation.

European Import Requirements 1/

Wheat import requirements for Europe are expected to show some increase for 1935-36 compared with 1934-35 but will continue below the average imports of recent years. On the basis of present information it would appear that the net import trade for Europe in the coming year may approach 386,000,000 bushels or about 40,000,000 bushels more than during the past season but still about 120,000,000 bushels below the average for 1929-30 to 1933-34. These figures, however, must be somewhat reduced if consideration is given only to

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1/ Prepared from a report of Assistant Agricultural Attache Gordon P. Boals at Berlin.

import needs of overseas wheat, including Russian. The inter-European wheat trade last season, it appears, accounted for around one sixth of the total trade and this year it is expected to make up about one tenth. The relative trade position of ex-European wheat has thus improved somewhat more than the net requirement figures would indicate. It should be remembered, however, that a part of last year's European wheat trade was in feed wheat, which will not be the case to any significant extent this year. Shipments from Russia are likely to become relatively important this season, which will likewise affect the real overseas trade.

The most significant changes in trade which seem likely this season are a shift in France and Sweden from an export to an import basis; increased takings by the United Kingdom, Belgium and Holland and possibly Italy; smaller takings by Denmark and Germany; and slight decreases for Norway and several other countries. Greater changes, particularly with regard to increased imports, would be in prospect if Europe and especially certain important importing countries had not harvested above average crops this year. According to official figures Italy appears practically self-sufficient this year; Czechoslovakia has an export surplus and Austria, Switzerland, Finland, and Greece have harvested record crops.

The big carry-over in Italy last season largely offset the small crop, but this year the carry-over has been liquidated and imports for usual needs have become more directly dependent on the crop. That country has now become a very sensitive wheat trade barometer for Europe and if any wide fluctuations occur in the estimated total European wheat trade this season, changes in the estimated Italian imports are likely to be responsible for a large share of the difference. The present estimate for Italian imports is larger than official data on requirements would indicate and is due to a belief that (1) the wheat crop is overestimated, (2) that the corn crop is very small and will increase wheat requirements, and (3) that domestic stocks of wheat were reduced below normal this past season and may be replaced and even increased slightly above normal during the year.

Military activities have not been taken into account in determining European wheat import requirements except that special consideration has been given to a replacement of stocks this season where they have been reduced below normal this summer. No marked increase in the European wheat trade figure, however, appears likely for this reason even if military operations are extended beyond present proportions. This is particularly true if Italy purchases for direct shipment, or imports such quantities for milling in bond or temporary admission. If military activities become more involved, small increases in imports might be expected in Greece and Austria and possibly the Baltic area though the total of such trade would be small. Other European countries may be grouped as either having good reserve stocks of wheat or being in a free or unaffected area.

Table 7.-Wheat, including flour: Net imports into European countries, year beginning July 1, 1933-34 to 1935-36

Country	1933-34	1934-35	Preliminary forecast 1935-36 unofficial	Net imports reported July 1 to	1934-35	1935-36
	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	216	202	213	Aug. 31	35	31
Germany	1/ - 4	11	4	Aug. 31	3	2/
Italy	8	10	15			
France	18	1/ - 17	11	July 31	1	3/
Belgium	43	40	42	July 31	3	3
Netherlands	24	19	23	Aug. 31	3	4
Greece	12	11	11			
Czechoslovakia	3/	1	0			
Irish Free State	19	17	17	Aug. 31	4	3
Switzerland	18	18	17	Aug. 31	3	3
Austria	11	10	8	July 31	1	1
Denmark	12	19	13	Aug. 31	3	2
Sweden	2	1/ - 2	2	Aug. 31	1/ - 1	1/ - 1
Norway	9	9	8	Aug. 31	1	1
Finland	4	4	4	July 31	2/	2/
Spain	3/	3/	0	July 31	3/	3/
Poland	1/ - 2	1/ - 4	1/ - 2	Aug. 31	1/ - 2	1/ - 2
Estonia	2/	2/	0	July 31	0	0
Portugal	1	1	1	July 31	2/	2/
Latvia	0	3/	3/			
Total	391	349	387		54	45

Division of Statistical and Historical Research. Compiled from official sources except as otherwise specified.

1/ Net exports.
2/ Less than 500,000 bushels.
3/ Net exports of less than 500,000 bushels.

Wheat Supplies in Exporting Countries

Total 1935-36 wheat surplus for export or carry-over in Canada, Argentina Australia, the Danube Basin countries and North Africa, based on a July-June year now appears to be about 720,000,000 bushels. Most of this amount or about 400,000,000 bushels is Canadian. Depending on crop outturns, Australia may have 130,000,000 and Argentina 115,000,000 bushels. Shipments from Russia would be in addition to these figures. The surplus and southern export zones of the latter country have a surplus, and net exports of as much as 50,000,000 bushels seem probable, depending on government policy. Offerings have been moderate thus far and at about full market quotations. Though the trade has generally interpreted this to mean limited export quantities this season, it could likewise indicate that a new marketing policy is being pursued.

Trade within Europe

The source of European import requirements is not without interest. Trade areas within Europe such as the Danube Basin wheat export region and Central Europe and Italy have a preferential position. A large share of the Danube surplus will be used to balance compensation and debt accounts with Austria, Switzerland, Italy, and to a small extent Greece and England Russia may be considered in a semi-preferential position for European countries, particularly Italy and Greece. Some and perhaps fairly important quantities of Russian wheat will probably be taken by the United Kingdom and Belgium and possibly Holland. Part of the small Scandinavian and Finnish requirements may be met by Polish and Baltic exports. Belgium also appears likely to be drawn into the European compensation trade net to some extent and may afford Poland and Danube countries a preferred market for certain quantities.

During the past season six countries in Continental Europe outside of the Danube Basin were net exporters of wheat including flour. France alone exported more than the whole Danube Basin, although imports from North Africa reduced the net figure slightly below the Danube total. Net exports from Poland increased and were larger than any year since 1930-31, which appears to have been a record year for that country. Each of the three Baltic countries was also on a net export basis, particularly Lithuania. Sweden likewise ended the year with an export balance though some wheat was imported. Total wheat exports for these countries were around 44,000,000 bushels and for the Danube Basin 66,000,000 bushels.

This situation is expected to change noticeably during the coming season, France and Sweden again becoming net importers. The Baltic countries and Poland will likely be a net export area but to a smaller extent than during the past season. The Danube Basin, however, promises to export considerably more than a year ago though probably not all of its estimated surplus. Should world wheat prices rise to any significant extent or European demand be increased over what is indicated at present, it is not unlikely that some exports will again be made from the present surpluses in France and from Spain, Portugal, and Czechoslovakia. Subsidy schemes would not be so burdensome, in fact probably less so than most government "reserve" stock purchases. Poland likewise could easily increase its wheat exports if the market situation improved considerably. Rye has

been in a relatively better export position than wheat during the past two seasons but as this situation may become reversed, which seems quite possible, increased domestic utilization of rye can occur, especially in Poland, and might release additional quantities of wheat. Such substitution, of course, has definite limitations with regard to volume, but it is believed to have significance in the market and export outlook.

European Government Policy in 1935-36

Farm Aid

While no important changes in farm aid activities are in prospect for the coming season, it is not unlikely that the relatively favorable position which wheat has enjoyed in many countries compared with other branches of agriculture, especially livestock, will tend to be somewhat modified.

Farm aid to the wheat growers has been primarily one of price or income supporting measures and has had the general effect of maintaining or increasing production. Such activity by the governments has been influenced by the condition of domestic agriculture and the important political role it generally plays, by the foreign exchange situation in several countries, and in some cases by the desire to approach or reach approximate self-sufficiency for periods of possible emergency.

Import Barriers and Restrictions

The general relaxation of import barriers and restrictions, such as tariffs and license taxes or permits, milling mixtures, foreign exchange or monopoly control, will be primarily dependent upon the following factors: reduced crops in Europe; increased trading opportunities and advantages; higher world prices, so that the spread between domestic and foreign prices is much reduced; and in some cases monetary stabilization. Such barriers, however, may usually be considered subject to modification in bilateral trading if exporting countries are desirous of making compensation or barter deals. It is too much to expect in anything like the near future, however, that European wheat production in most countries should meet the competition of foreign wheats in a free trade market. Wheat production in most European countries is, after all, one of the most economic farm enterprises, and while it has admittedly been increased too much in certain instances so that readjustments will be attempted, as in Czechoslovakia, it plays too important a role to be subjected to increased competition. It is significant to note that no European importing country which has been faced with surpluses has taken steps toward relaxing a significant import barrier to further emphasize readjustment, but on the contrary has followed the next step of the cycle by establishing reserve stocks or otherwise subsidizing the handling of the surplus if burdensome. Moreover, to voluntarily lower or remove most trade barriers would take away the trade bargaining ability in many countries; barriers and restrictions must be considered as a very important European method of trade bargaining.

In certain countries, such trade barriers have been imposed largely because of the difficult foreign exchange situation and for the concentration of all imports into definite channels, usually a government or semi-

official monopoly. In some countries, as Italy, trade and currency restrictions may even be nominally increased but, of course, they will seldom be applicable to the monopoly's organizations, which have duty-free and other privileges. The so-called prohibitive trade barriers are not to be taken too literally as in most cases all necessary import needs continue to be taken care of through special trading devices and exceptions. In several instances, the extreme prohibitive barriers which have been imposed are not fully or economically effective and if removed would not significantly increase imports. They do serve, however, as a means of satisfying increased domestic agricultural demands from time to time on the Governments. Tariffs of $2.00 and milling mixtures consisting of or near 100 percent are only incidental trade barriers when compared with foreign exchange control or monopoly permits.

Trade Agreements

Agricultural and industrial surpluses will continue to be traded against each other in Europe as much as possible, particularly this season, and definite changes in agricultural policy are being made in several countries in accordance with the advantages accruing from such trading areas. The Danube Basin may be expected to continue to dispose of practically all of its good quality grain under preferential conditions in European markets, which means modified trade barriers or special prices for certain contingent quantities. Corresponding concessions or purchases are likewise made by the Danube countries. It is not unlikely that Poland may develop some trade along this line, particularly with countries like Belgium and Germany, if crops in the latter country are reduced. While such developments are fundamentally European, it is significant to note that a large share of German grain imports last season, mostly for feed, came from Turkey, which country took German goods. In general, however, the approximately self-sufficient wheat countries will not include wheat to any great extent in trade agreements.

The Shanghai Wheat Market

Shanghai wheat and flour market prices are generally higher than a month ago. No foreign wheat is being sold because quotations are too high compared with local flour prices. Shanghai wheat supplies, which at present are sufficient for only 4 or 5 weeks' requirements, continue to decline. Quantities of Hankow wheat were recently purchased and it is believed that additional amounts may be secured.

Shanghai prices of wheat, duty included, for the week of October 18 were quoted as follows. For October-November shipment in bulk, Australia (New South Wales) 98.35 cents per bushel and Canadian No. 4 at 101.60 cents per bushel; domestic standard for October delivery 85.35 cents per bushel and for November 88.11 cents per bushel. Shanghai flour for October delivery was 97.18 cents per bag of 49 pounds and for November 98.26 cents per bag. Australia flour, c.i.f. Hongkong, was $3.52 per barrel of 196 pounds.

Table 8.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1934-35 and 1935-36

Period	Argentina		Australia		Danube		North America	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-Aug. 31	34,392	21,608	16,936	12,944	360	1,096	34,336	20,592
Week ended								
Sept. 7	4,522	2,432	1,344	1,388	16	88	3,056	2,256
14	4,228	3,440	1,192	1,560	0	456	4,672	2,784
21	3,216	2,564	1,472	2,384	32	56	3,936	3,672
28	3,768	1,056	2,876	1,824	0	296	3,256	3,680
Oct. 5	4,456	3,123	1,720	1,936	0	344	4,616	3,910
12	4,276	1,874	2,804	1,816	0	400	3,128	3,396
Total	58,888	36,097	28,344	23,852	408	2,736	57,000	40,290

Compiled from Broomhall's Corn Trade News.

Table 9.-United States: Exports of wheat and wheat including flour, 1934-35 and 1935-36 1/

Period	Wheat		Wheat flour		Wheat, incl. flour	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July	825	66	286	248	2,168	1,231
Aug.	1,776	8	440	270	3,845	1,278
Week ended						
Sept. 7	1	0	57	14	269	86
14	13	10	36	34	182	179
21	43	2	97	36	499	124
28	51	2	31	30	197	143
Oct. 5	44	0	85	31	444	146
12	0	3	17	26	80	125

Compiled from reports of the Department of Commerce.

1/ Includes flour milled in bond from foreign wheat.

Table 10.- Wheat, including flour: Movement from principal exporting countries, 1932-33 to 1935-36

Country	Exports as given by official sources						
	Total			July 1 to date shown			
	1932-33	1933-34	1934-35	1933-34	1934-35	1935-36	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States.....	41,210	37,002	21,532	3,112	6,013	2,509	Aug. 31
Canada	267,342	198,555	169,630	51,558	50,630	53,382	Sept. 30
Argentina	120,272	144,849	187,000	38,394	51,729	32,734	Sept. 30
Australia	148,552	86,509	108,010	9,100	7,647	7,518	July 31
Russia	19,676	33,787	4,286	2,320	1,501	4,288	Aug. 31
Hungary	7,010	29,615	12,499				
Yugoslavia	1,162	839	4,440	4	218	34	July 31
Rumania	179	248	3,432	0	0	797	July 31
Bulgaria	3,144	4,769	375				
British India(L&S)	2,169	2,084	1/2,001				
Total	610,716	538,257	513,205				

	Shipments as given by trade sources						
	Total		Week ended 1935			July 1 - Oct. 12	
	1933-34	1934-35	Sept. 28	Oct. 5	Oct. 12	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	220,616	168,712	3,680	3,910	3,396	57,000	40,290
Canada, 4 markets 3/	194,213	176,059	4,847	7,239	8,712	78,633	103,873
United States	37,002	121,532	143	146	125	8,723	3,278
Argentina	140,128	186,228	1,056	3,123	1,874	58,888	36,097
Australia	90,736	111,628	1,824	1,936	1,816	28,344	23,852
Russia 4/.....	26,656	1,696	992	1,936	1,952	1,152	10,440
Danube & Bulgaria 4/	15,872	4,104	296	344	400	408	2,736
British India	5/ 2,084	1/2,001	24	56	0	304	80
Total 5/.....	496,092	474,369				146,096	113,495
Total European shipments 2/	401,560	387,752	6,176	10,312		7/113,456	7/84,152
Total ex-European shipments 2/.....	123,352	142,424	2,000	1,744		7/ 31,880	7/28,984

1/ Land trade not included April - June 1935
2/ Broomhall's Corn Trade News
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only
5/ Total exports as given by official sources
6/ Total of trade figures includes North America as reported by Broomhall's
7/ To October 5.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Division of Statistical and Historical Research
Washington

WH-115 November 30, 1935

WORLD WHEAT PROSPECTS

Summary

Total world supplies of wheat, excluding Russia and China, in 1935-36 are now estimated at about 4,339,000,000 bushels, a decline of 367,000,000 bushels from the 1934-35 season, and about 535,000,000 bushels below the average supplies available during the period 1928-32. Estimated world production outside of Russia and China in 1935 of 3,475,000,000 is only 5,000,000 bushels greater than the production of the previous year and about 290,000,000 bushels below the 5-year (1928-32) average. Russia is reported to have harvested a larger crop than in 1934 but China a somewhat smaller crop. The total production in the three North American countries is 13 percent above the small crop harvested in 1934 but 18 percent below the 5-year average. The European total, excluding Russia, is less than 1 percent above last year but about 2 percent above the 5-year average. Four Asiatic countries reported an increase of 1 percent. The total for six North African countries is 18 percent below last year but about the same as in 1933. World wheat stocks, excluding Russia and China at the beginning of the 1935-36 season were about 870,000,000 bushels or about 260,000,000 less than a year earlier.

Changes in production estimates during the past month have been minor except in the case of the Canadian crop which is now estimated at 273,971,000 bushels which represents a decrease of about 16,600,000 bushels from the earlier estimate. Most of this reduction can be attributed to frost damage in the northern districts of Alberta and Saskatchewan.

Only minor changes have been made during the past month in the estimates of the European countries. The official mid-November report from Australia stated that the condition of the crop was favorable and good yields were expected except in Western Australia. In Argentina rains during the week ended November 21 relieved the drought in the southwestern part of the Province of Buenos Aires and in the Territory of La Pampa.

According to present prospects there seems to be little likelihood of increased European imports from the overseas countries this season compared with last year, unless reasons for adding to stocks develop during the course of the season. It appears likely that the increase in requirements this season estimated at 40,000,000 bushels, will be covered or more than covered by increased exports from Russia and the Danube Basin countries.

With the United States on an import basis for good quality spring wheat, foreign market developments have become the dominant influence in the United States wheat price situation. Reflecting the higher Liverpool prices caused by the outbreak of hostilities in Ethiopia and the uncertain political situation in Europe, wheat prices in domestic markets in the week ended October 12, reached the highest point since January 1930. However, from the week of October 12 through the week ended November 16, owing principally to lessened tension in Europe, improvement in Argentine crop prospects and uncertainty of the Canadian policy relative to the disposal of the wheat surplus of that country, prices of all classes of wheat declined. Prices for the week ended November 23 will show an improvement as a result of rising prices beginning November 14.

The 1935 crop of both hard red winter and hard red spri ng wheat, with the exception of the wheat in the Pacific Northwest, averages lower

than in 1934, with hard red spring being the poorest since 1916. In the States of Idaho, Washington, Oregon and also Montana both of these classes are of exceptionally high quality. This year's durum crop, like that of hard red spring, is materially below the quality of a year ago, as is also soft red winter wheat. White wheat is somewhat superior to the 1934 crop.

Estimated wheat stocks in the United States on October 1 totaled 581,000,000 bushels, which represents about a 30,000,000 bushel decrease from a year ago.

Production

Present production estimates are shown in table 1. Threshing returns indicate that the quality of the wheat this year in Central Europe is good; but somewhat below last year in the British Isles, the Scandinavian countries, and in northern and central Italy quality is reported very good; in southern Italy quality was not satisfactory, and in France an appreciable share of this year's harvest is unsuitable for milling; in Spain the quality was so spotted that a generalization is difficult; in the Baltic countries quality is indicated to be poor.

Australia is the only country in the Southern Hemisphere that has issued an estimate of production. The crop there is placed at 135,000,000 bushels compared with 133,489,000 bushels last year and 177,338,000 bushels in 1933-34. Agricultural Attache' Nyhus at Buenos Aires cabled on November 15 that the wheat, although late, is doing well in the North but poorly in the South. Crop prospects are declining in the latter region. Rains of 1 inch to 1-1/2 inches during the week ended November 21 relieved the drought in the southwestern part of the Province of Buenos Aires and in the Territory of La Pampa.

Fall Seedings

Few reports have been received on the seedings of winter wheat for the 1936 harvest. Seeding conditions in Europe have been favorable and suggest little change in the acreages sown, with possibly some declines in Central Europe. In North Africa rainfall has been sufficient to allow normal tillage but soil moisture supplies are low. Early winter rains, however, have a much greater influence on the sprouting of the crop than the fall rains. The area sown to fall wheat in Canada is estimated at 514,000 acres, a decrease of 25 percent from 685,000 acres sown in the fall of 1934. The condition on October 31 was 85 percent of average compared with 105 percent a year ago.

Table 1. - Wheat: Production, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	598,935
Canada	443,061	281,892	275,849	273,971
Mexico	9,658	12,122	10,950	10,279
Total (3)	1,198,507	822,989	783,728	883,185
Europe:				
Danube Basin (4)	221,569	367,464	249,300	1/ 296,776
Other Europe (26)	1,270,506	1,382,069	1,285,402	1,245,768
Total (30)	1,492,075	1,749,533	1,534,702	1,542,544
North Africa (6)	127,445	110,294	134,627	110,566
Asia (4)	445,785	501,887	508,094	513,874
Total 43 count	3,263,812	3,184,703	2,961,151	3,050,169
Southern Hemisphere				
Argentina	240,889	286,120	240,669	2/ 150,000
Australia	213,927	177,338	133,489	135,000
Estimated world total excluding Russia and China	3,854,000	3,788,000	3,470,000	3,475,000

Division of Statistical and Historical Research.

1/ Official sources. The Belgrade office of the Foreign Agricultural Service estimated the production in the four countries at 298,000,000 bushels.

2/ Based on a report from the Buenos Aires office of the Foreign Agricultural Service.

Prices

The United States average farm price of wheat after rising from 86.2 cents per bushel in mid-September to 96.3 cents in mid-October, is expected to show a decline on November 15 from mid-October, in harmony with lower market prices. The price for the week ended November 16 of No. 1 Dark Northern Spring wheat at Minneapolis at 125 cents per bushel was 14 cents lower than for the peak week ended October 12; No. 2 Hard Winter at Kansas City at 111 cents was 12 cents lower; and No. 2 Red Winter at St. Louis at 102 cents was 9 cents lower. Comparative prices for the week ended November 17, 1934 are as follows: No. 1 Dark Northern Spring wheat at Minneapolis 114 cents, No. 2 Hard Winter at Kansas City 102 cents, and No. 2 Red Winter at St. Louis 102 cents.

Prices of No. 2 Hard Winter wheat at Kansas City for the week ended November 16 were about 23 cents over December futures at Liverpool compared with about 22 cents a month earlier and about 29 cents a year earlier. Prices of No. 2 Hard Winter at Chicago for the week ended November 16, however, were about 25 cents over December futures at Liverpool compared with about 28 cents a month earlier and 35 cents a year earlier. Chicago December futures on the other hand have been only 6 to 9 cents over Liverpool futures compared with about 27 cents a year earlier. This relatively small spread in the case of the futures at Chicago this year is due to the fact that relatively cheap soft winter wheat is deliverable on contracts. The price of Soft Red has usually averaged close to Hard Winter for similar grades at Chicago, but because of the shortage of hard wheat, which causes the price of such wheat to be relatively high, the price of soft wheat this year is considerably cheaper. For the week ended November 16, No. 2 Soft Red at Chicago was 13 cents under No. 2 Hard Wheat.

Table 2.- Wheat: Weighted average cash price at stated markets

Week ended	All classes: ang grades six markets		No. 2 Hard Winter: Kansas City		No. 1 Dk. N. Spring: Minneapolis		No. 2 Hard Amber Durum: Minneapolis		No. 2 Red Winter: St. Louis		Western White: Seattle 1/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	122	112	109	123	124	139	153	121	105	113	95	90
Low 2/	89	93	88	93	97	109	110	101	89	85	74	74
Oct. 26	112	104	101	114	114	132	142	118	99	105	85	86
Nov. 2	113	99	99	113	113	129	140	110	99	105	84	83
9	111	98	101	111	115	127	141	110	100	104	86	83
16	113	96	102	111	114	125	144	115	102	102	86	

1/Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/July 1 to date.

Table 3.- Wheat: Closing Saturday prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	113	108	109	111	114	126	98	95	101	99	4/78	5/81
Low 3/	89	82	83	78	83	83	78	82	71	71	4/53	5/62
Oct. 26	93	99	95	101	103	114	78	86	75	94	56	76
Nov. 2	99	99	96	100	105	113	79	85	76	91	55	76
9	100	96	98	98	106	109	80	84	76	90	55	70
16	101	96	99	98	107	113	80	85	71	88	53	68

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ July 1 to date. 4/ October and December futures. 5/ November and December futures.

Quality of the 1935 United States Wheat Crop 1/

Hard red winter wheat.- The 1935 crop of hard red winter wheat produced east of the Rocky Mountains averages lower in quality than did the crop of 1934, especially according to the factors of kernel texture, test weight per bushel, and protein content. Only 21 percent of the inspected receipts during the period July 1 to September 30, 1935 classified as Dark Hard Winter as compared with 54 percent for the same period in 1934. Only 58 percent of the inspected receipts graded No. 2 or better, with 21 percent grading lower than No. 3, whereas in 1934 81 percent of the inspected receipts graded No. 2 or better and only 4 percent graded lower than No. 3. The principal grading factor in the 1935 crop is test weight per bushel and the test weight is slightly lower than it was in 1934. In those areas in the Great Plains region that were affected by the rust epidemic, the test weight per bushel is 2 to 3 pounds lower than it was in the crop of 1934. The average protein content of the crop is below that of the 1934 crop. The wheat tested at Kansas City during the first 3 months of the current season averaged 12.37 percent protein compared with 13.90 percent during the first 4 months of the 1934 season.

The crop of hard red winter wheat in the States of Montana, Idaho, Washington, and Oregon, is of distinctly superior quality. Of the inspected receipts in these States during the period July through September, 62 percent graded Dark Hard Winter as compared with about 64 percent in 1934, 94 percent graded No. 2 or better as compared with 96 percent in 1934, and the average test weight per bushel was almost 61 pounds.

1/ Summary report issued by the Grain Division, Bureau of Agricultural Economics.

Hard Red Spring wheat.-The quality of the 1935 crop of Hard Red Spring wheat east of the Rocky Mountains is outstandingly low and is believed to be the lowest since the year 1916. The principal cause of low quality was the widespread rust epidemic in the spring wheat area, accompanied by summer drought in some areas which caused the crop to have an excessively low test weight per bushel. The principal grading factor in the crop is test weight per bushel, although total damage was of some importance during September and October as the result of unusual rainfall on grain in the shock. Early-season data with respect to the protein content of the 1935 crop indicate that it is only slightly higher than that of the 1934 crop. The wheat tested at Minneapolis during the first 3 months of the current season averaged 14.6 percent protein compared with 14.2 percent for the corresponding period last year. The quality of the 1935 crop according to kernel texture was almost as high as that of the 1934 crop, as indicated by the fact that 97 percent of the inspected receipts during the period August 1 to October 31 graded Dark Northern Spring as compared with 99 percent in 1934. The effect of the low test weight per bushel factor on the numerical grade of the 1935 crop is indicated by the fact that only 22 percent of the inspected receipts August through October graded No. 2 or better, with 69 percent grading lower than No. 3, whereas in 1934 83 percent of such market receipts graded No. 2 or better and only 4 percent graded lower than No. 3.

In contradistinction to these data with respect to the average quality of the 1935 crop of Hard Red Spring wheat east of the Rocky Mountains, the crop of this class of wheat in Montana, Idaho, Washington, and Oregon, was of exceptionally high quality. In this area 96 percent of the inspected receipts graded Dark Northern Spring as compared with 98 percent in 1934, 90 percent graded No. 2 or better as compared with 69 percent in 1934, 33 percent graded No. 1 Heavy as compared with only 8 percent in 1934, and the average test weight per bushel was almost 59 pounds.

Durum wheat.-The quality of the 1935 crop of Durum wheat, like that of Hard Red Spring wheat, is materially lower than it was in 1934. The crop was damaged by rust and hot winds which caused the wheat to have an abnormally low test weight per bushel. Only 16 percent of the inspected receipts August through October graded No. 2 or better, and 62 percent of such receipts graded lower than No. 3, whereas in 1934 97 percent of the inspected receipts for the corresponding period graded No. 2 or better and only 1 percent of such receipts graded lower than No. 3. The quality of the 1935 crop of Durum wheat according to kernel texture is equal to that of the 1934 crop, as indicated by the fact that in both years 98 percent of the inspected receipts graded into the superior subclass Hard Amber Durum.

Soft Red Winter wheat.-The quality of the 1935 crop of Soft Red Winter wheat east of the Rocky Mountains is appreciably lower than that of the 1934 crop, principally according to the factors of test weight per bushel and moisture content. In the Ohio Valley markets the average test weight per bushel in this year's crop is approximately 1 pound lower than it was in the 1934 crop, and throughout all the important producing

areas east of the Rocky Mountains unusual rainfall during the harvesting and threshing seasons caused 40 percent of the inspected market receipts through the period July 1 to September 30 to grade "Tough" as compared with only 9 percent for the corresponding period in 1934. Excess moisture and sprout damage in the shock were principal factors in causing 12 percent of the inspected 1935 receipts to grade Sample grade as compared with only 3 percent in 1934. Only 30 percent of the inspected receipts in 1935 graded No. 2 or better, with 28 percent grading lower than No. 3, whereas in 1934 74 percent of such receipts graded No. 2 or better and only 8 percent graded lower than No. 3. The percentage of the inspected market receipts that graded "Light Garlicky" and "Garlicky" in 1935 was identical with the percentage for 1934, being 26 percent for both years.

The 1935 crop of Soft Red Winter wheat (Western Red) in the States of Washington, Oregon, and Idaho, is of exceptionally high quality. Of the inspected receipts in these States, 95 percent graded No. 2 or better as compared with 97 percent in 1934, and the average test weight per bushel in 1935 is slightly higher than 60 pounds. Smut dockage in this area was assigned to a slightly smaller percentage of the inspected receipts than in 1934, the percentage being about 40 percent in 1935 as compared with 43 percent in 1934.

White wheat.-The 1935 crop of White wheat in the Far Western States is of high quality and is somewhat superior to the quality of the 1934 crop. The average test weight per bushel recorded for the 1935 crop is 59.8 pounds, which is about 1 pound heavier than that recorded for the 1934 crop. Ninety-two percent of the inspected receipts during the period July 1 to September 30 graded No. 2 or better, with only 1 percent grading lower than No. 3, whereas in 1934, 86 percent of the inspected receipts graded No. 2 or better and 2 percent graded lower than No. 3. A slight increase in the percentage of all classes of White wheat grading smutty was recorded in 1935 as compared with 1934, the percentages being 19.5 in 1935 and 18 percent in 1934. Smut is less prevalent in wheat of the subclass Hard White this year than in the other classes of White wheat, only 11 percent of the wheat of this class being graded "Smutty". The season caused more of the White wheat to grade Soft White this year than in 1934, as indicated by the fact that 31 percent of the inspected receipts graded Hard White in 1935 as compared with 45 percent for the corresponding period in 1934, and by the fact that 33 percent of such receipts graded Soft White in 1935 as compared with 29 percent for the corresponding period in 1934. A material increase in the market receipts of White Club wheat was observed in 1935, there being 34 percent of all inspected receipts of White Wheat grading White Club in 1935 as compared with 21 percent in 1934.

United States Wheat Stocks on October 1, 1934 and 1935

Wheat stocks in the United States on October 1 totaled about 581,000,000 bushels, which represents about a 30,000,000-bushel decrease from a year ago. Stocks in the various positions are shown in the following statement.

Position	Oct. 1, 1934	Oct. 1, 1935
	1,000 bushels	1,000 bushels
On farms	229,100	257,242
Country mills and elevators	115,819	103,382
Commercial	120,075	79,703
In merchant mills and elevators 1/ ..	126,597	118,747
In transit to merchant mills	18,720	21,491
Total	610,311	580,565

1/ Includes "stored for others".

The Wheat Outlook for 1936

Average yields on the prospective United States acreage to be harvested in 1936 would produce more wheat than is usually consumed, resulting in a surplus which would tend sufficiently to reduce domestic prices in relation to foreign prices so that exports would be possible. Largely as a result of small crops in each of the last 3 years, domestic-wheat prices beginning with the 1933 crop, have been 20 to 30 cents above a level at which any significant volume could be exported. It is probable, however, that any volume of wheat that might be available for export would not result in depressing domestic prices as low as those in 1931 and 1932, when this country was last on an export basis. World business conditions are expected to be materially improved over those existing at that time and prospective supplies both in the United States and abroad promise to be materially lower. For these reasons world wheat prices for the 1936 crop are expected to be substantially higher than prevailed during 1931 and 1932 but they may be lower than those which prevailed in the late fall of 1935, if average yields are obtained on present acreage. Further war developments, which are not predictable, might materially influence the course of world prices.

For the long-time outlook, wheat prices in the United States probably will be on an export basis and world prices after the present year are likely to fluctuate around somewhat lower levels than during 1935-36 unless there is a substantial reduction in acreage or a series of unfavorable harvests.

Prices.-With normal yields the probable United States acreage would produce a surplus for export and bring prices in 1936-37 to, or close to, an export basis. Since the beginning of 1933, wheat prices in the United States have been maintained at unusually high levels relative to world prices. This has been largely the result of 3 successive years of low

production, but acreage reduction and the removal of surplus wheat from the Pacific Northwest through governmental aid have also tended to increase United States prices relative to world prices. The reduced production in this period has been due mostly to low yields and heavy abandonment, since the average area sown for the crops of 1933-1935 was only about 2 percent below the average for the 3 years preceding. This reduced production, generally speaking, has lifted domestic prices 20 to 30 cents above what might have been expected with more nearly normal yields. Prices east of the Rocky Mountains in particular, where the supplies have been short, have been relatively higher compared with prices in the Pacific Northwest than can be expected with more nearly normal supply conditions east of the Rockies. As the result of the cumulative deficiency in production extending over these 3 years, the carry-over in the United States is expected to be reduced from the record high on July 1, 1933 to near-normal proportions by July 1, 1936.

The wheat price level in the United States during the current year is higher than is probable in 1936-37 and the relationships between classes and grades will doubtless be different. With Canadian wheat being imported this year, the price of Hard Red Spring wheat will be influenced largely by the price in Canada. Prices of other hard wheats in the United States will be somewhat lower than those of Hard Red Spring but relatively higher than those of soft wheats. Prices of high-quality soft wheats are also likely to be above an export basis much of the 1935-36 year., as the result of a larger-than-usual milling demand for such wheat, even though supplies are fully adequate for domestic needs.

Prices of wheat in the least protected markets of the world are now relatively high. The rise this season reflects the prospects of short crops in the Southern Hemisphere, the unsettled political situation in Europe and an improvement in the world business situation. Total supplies, although still large, were greatly reduced during last year.

It is too early to forecast the 1936 world wheat production. If average weather conditions prevail, even assuming that world carry-over will be somewhat reduced, world supplies may be expected to be larger than those of the current crop year. This would tend to cause world prices in 1936-37 to be lower than in the fall of 1935. It is not probable, however, that supplies for 1936-37 will be so large as they were for the crop years, 1931-32 and 1932-33. Moreover, it is anticipated that world business conditions will continue to show improvement. It would appear probable, therefore, that world prices in 1936-37, although lower than in 1935-36, will be materially higher than the levels of 1931-32 and 1932-33, which was the last period in which this country was on an export basis.

<u>American prospects</u>.- The estimated acreage planted for the 1934 wheat crop was 60,731,000 acres and that for 1935 about 66,000,000 acres, compared with an average of 65,926,000 acres for the crops of 1930 to 1932. No estimate is yet available of the acreage sown or to be sown for harvest in 1936. The acreage reduction with reference to the new crop for farmers who will sign the wheat-adjustment contracts for 1936-1939 has been announced at 5 percent.

Cooperating farmers, whose allotment contracts covered about three fourths of the 1930-32 seeded acreage, were originally required to reduce their acreage seeded for harvest in 1935 by 10 percent, but growers of winter wheat were permitted to seed additional wheat for pasture. On March 20, 1935 the Secretary of Agriculture announced a modification of requirements on plantings of spring wheat for 1935 for those farmers under wheat-allotment contracts who signed agreements to offset increases with corresponding reductions for 1936. This same privilege was extended to growers of winter wheat who had seeded additional acreage under pasture permits. Partly as a result of these revisions, but largely as a result of increases on the part of growers not under contract, seedings for the crop of 1935 were considerably in excess of those for 1934 and approximated the area seeded during the 1930-32 period.

It would seem from an examination of all the factors involved that the acreage which has been and will be planted for harvest in 1936 is likely to be as large as, or larger than, that seeded for the crop of 1935. An area of 66,000,000 acres, with average abandonment and yields, would result in a crop of 825,000,000 bushels. An analysis of the abandonment and yields that have been experienced in the United States since 1919 indicates a probable range in yields of 10 to 14 bushels per seeded acre. This probable range would indicate a production of from 660,000,000 to 924,000,000 bushels. Thus, even if yields in 1936 should be rather low, production would probably be equal to domestic utilization, and with average yields or greater-than-average yields a considerable surplus above domestic requirements would be obtained.

The above reasoning would imply that the chances are good that the United States will have a considerable surplus of wheat for export or carryover in 1936-37. In the absence of any special measures such as governmental aids to exports or storage, to relieve the pressure on the market, such a surplus would probably bring United States prices close to an export basis. However, it is to be recognized that the surplus from another very small crop only moderately in excess of domestic requirements plus a normal carryover might possibly be retained in this country and still permit United States prices to remain above an export basis.

World Prospects.- Severe droughts in North America last year and in South America this year, together with drought and rust damage in North America this year, are the major factors contributing to the reduction of the excessive stocks of wheat accumulated during recent years. Although world stocks are expected to be somewhere near normal by the end of the 1935-36 crop year, the improvement in the statistical position promises to be only temporary, unless a substantial reduction in acreage is made. Thus average yields in 1936-37 on present world acreage would result in a crop of around 3,700,000,000 bushels, about equal to the average production during the years 1928-32 when, despite higher consumption than at present, stocks accumulated rapidly.

During recent years European importing countries have greatly expanded wheat production with a resultant decline in import needs. This decline has been due particularly to improved yields, but also to an increase in acreage. It should perhaps be mentioned that in at least 3 out of the last 4 years, exceptionally favorable weather

conditions have resulted in average yields of wheat greatly in excess of the last 10-year average. The continued occurrence of such favorable growing conditions appears very improbable. Some former very heavy importers, including Germany, France, and Italy, have reached a point of self-sufficiency in wheat production in years of average yields or better. Further expansion of European acreage is not probable and there are even some signs that self-sufficiency is not the unmitigated blessing many supposed; but acreage reduction will come slowly and European import requirements are not likely to regain or even approach their former volume during the next several years, except in the event of very unfavorable growing conditions or war. Not only has the expansion in European wheat acreage apparently reached its peak, but the upward trend in yields, having reached or gone beyond pre-war levels, is showing a tendency to flatten out so that any significant increase in European production will be the result of unusually favorable growing conditions.

World Trade

Wheat stocks in Canada remaining for export and carry-over November 1 totaled about 292,000,000 bushels compared with 310,000,000 bushels a year earlier. Canadian wheat in bond in the United States was at a record high for this date and totaled 32,000,000 bushels compared with 18,000,000 bushels in 1934. Argentine wheat stocks available for export or carry-over totaled 28,000,000 bushels compared with 41,000,000 a year ago while Australia still had a surplus of about 20,000,000 bushels compared with 47,000,000 bushels a year earlier.

European import requirements in 1935-36 are estimated at 387,000,000 bushels compared with 349,000,000 in 1934-35 (World Wheat Prospects, October 1935). It appears likely that this increase in requirements will be covered or more than covered by increased exports from Russia and the Danube Basin countries. Soviet Russia from July 1 to November 16 exported 17,200,000 bushels this year compared with 1,400,000 bushels for the same period last year, and the Danubian countries exported 5,700,000 bushels (Black Sea shipments) compared with 600,000 bushels a year earlier.

World exports from July 1 to November 16 amounted to only 185,000,000 bushels and are about 22,000,000 bushels short of the small movement of a year earlier. During this period Canada, with the large share of the world's surplus, has shipped only 69,000,000 bushels, which is about 7,000,000 bushels less than a year earlier. Argentina and Australia together exported 80,000,000 bushels this year compared with 112,500,000 bushels during the same period last year. Other countries, including Russia and the Danube Basin, shipped 36,000,000 this year compared with 19,000,000 bushels in the same period in 1934.

Imports of Canadian wheat into the United States for domestic utilization, July through September, totaled about 12,000,000 bushels of which about 9,500,000 bushels were milling wheat and 2,500,000 bushels were classified "unfit for human consumption". (See Table 10 which shows total imports into the United States, most of which were from Canada.)

The Wheat Situation in Italy 2/

Net imports of wheat for domestic consumption in Italy should be extremely small in 1935-36, despite the prospective tendency toward replacing depleted stocks and the tendency toward substitution of wheat for the considerable reduction in corn supplies. The calculation of production and net imports for recent years indicates an apparent sharp decrease in consumption. The average disappearance of the 4 years, 1931-32 to 1934-35, was 277,800,000 bushels compared with the average a few years earlier (1928-29 to 1932-33) of about 294,300,000 bushels. Present consumption levels indicate the need of some 216,400,000 bushels of bread wheat and 61,400,000 bushels of durum wheat. For the current year, therefore, there is apparently more than an adequate supply of bread wheat but a small shortage of durum. A forced substitution of bread wheat for the small shortage of durum, however, could easily be made.

So far this season a substantial portion of the supplies for military needs in Africa appears to have been satisfied through direct shipment from foreign countries. There have been notations in the trade press of various cargoes of Russian grain for the port of Massaua. Mill capacity at Massaua, however, is at present very small.

2/ Prepared from a report from Assistant Agricultural Attache, L.D.Mallory at Paris.

Table 4.- Italy: Wheat production, net imports and disappearance, annually, and 5-year averages, 1928-29 to 1935-36

Crop year	Production	Net imports 1/	Disappearance
	1,000 bushels	1,000 bushels	1,000 bushels
1928-29	228,598	86,813	315,411
1929-30	260,125	42,563	302,688
1930-31	210,071	80,303	290,374
1931-32	244,415	32,044	276,459
1932-33	276,922	9,432	286,354
1933-34	298,548	6,272	304,820
1934-35	233,064	10,174	243,238
1935-36	283,455		
1928-29 to 1932-33 Av.	244,026	50,231	294,257
1929-30 to 1933-34 "	258,016	34,123	292,139
1930-31 to 1934-35 "	252,604	27,645	280,249

1/ Includes flour, semolina, and paste in terms of grain.

Table 5.- Italy: Durum and bread wheat production and requirements, 4-year average and 1935-36

Type of wheat	Production	Net imports	Requirements
	1,000 bushels	1,000 bushels	1,000 bushels
Average, 1931-32 to 1934-35 (4-year) -			
Durum wheat	58,100	3,300	61,400
Bread wheat	205,100	11,200	216,300
Total.....	263,200	14,500	277,770
	Production	Balance	Requirements
	1,000 bushels	1,000 bushels	1,000 bushels
Estimates for 1935-36 -			
Durum wheat	55,850	5,512	61,362
Bread wheat	227,605	1/ -11,187	216,418
Total.....	283,455	1/ - 5,675	277,780

1/ Surplus

The Wheat Situation in the Danube Basin Countries 3/

The quantity of wheat available for export from Danube Basin countries during 1935-36 is still estimated at about 40,000,000 bushels. It is probable that the larger part of the export movement will occur next spring, as farmers in most Danubian countries are now withholding wheat, expecting further price increases in connection with the Italo-Ethiopian War. This is particularly true in the case of Hungary which has not joined the economic blockade against Italy.

Total actual exports of wheat from the Basin during the 4 months July through October are estimated at only about 8,550,000 bushels. Rumanian exports during this period were largely made to Great Britain and Switzerland in payment of debts or on a barter basis. Hungary exported wheat first only to Austria and Switzerland, but in October, exports to Italy began. Bulgarian wheat found markets only in England at the beginning of the season, but in September important sales were made to Antwerp-Rotterdam partly against payment in strong currencies. Yugoslavia has exported only a very little wheat during the present marketing year. Exports to Central Europe from the Danube Basin were handicapped by a marked scarcity of barges due to exceptionally low water in the Danube and its tributaries, which reduced the amount carried each trip to about one quarter of normal.

3/ Prepared from a report by Agricultural Attache Louis G. Michael at Belgrade.

The Soviet Union Grain Situation 4/

The pace of this year's Soviet grain procuring as well as exports appear to confirm the harvesting of a larger grain crop, particularly of wheat, in the export regions this year than in 1934, according to a report from the Berlin office of the Foreign Agricultural Service.

The 1935 grain procuring campaign.- The 1935 grain procuring campaign was reported fully completed by October 10, almost a month earlier than in 1934, when the pace of procurings was regarded as favorable, and fully 2 months in advance of 1933. Several important export areas completed their deliveries in record time. Thus, Ukraine reported completion of its grain delivery obligations by September 15, or 6 weeks earlier than in 1934, while the Asov-Black Sea regions and the Stalingrad region (in the Lower Volga) completed their deliveries almost 3 months and Crimea 2-1/2 months in advance of 1934.

Grain deliveries in kind from all sources, excluding the milling tax, amounted to 101.6 percent of the plan by October 10 as compared with 91.9 percent delivered on the same date in 1934 and 81.5 percent in 1933. No figures on the actual quantity of grain procured this year have yet been reported, but a leading article of the newspaper "Pravda" indicated that by October 10 procurings had exceeded last year's final total.

Practically all of the grain received by the Government this year has been delivered by the so-called "socialist sector" of Soviet agriculture (collective and state farms and machine-tractor stations). The share of individual peasants in total procurings for 1935 amounted to only 4 percent compared with 8 percent in 1934. An important feature of this year's procurings is the increased share of grain received in payment for the work performed by the machine-tractor stations for the collectives. In 1933, such payments-in-kind amounted to only 12.7 percent of the total grain receipts; they increased to 16.5 percent in 1934 and were recently reported by the Chairman of the Committee on Procurings to have reached 22 percent this year. This tendency reflects the growing mechanization of Soviet agriculture and makes the tractor stations an increasingly important source of grain receipts. It is stated by the Russian press that the machine-tractor stations have already received 40 percent more grain than during the whole of 1934.

Considerable attention is now being directed to storage of grain with a view to avoiding damage and losses, including theft. Storage and drying facilities are still inadequate, but are more numerous than a few years ago. Some grain is still stored in the open, and a considerable quantity is in need of drying and cleaning. New storage space with a capacity of about 9,000,000 tons is reported to have been built during 1934 and 1935.

4/ From Foreign Crops and Markets, November 25, 1935.

The development of threshing operations, particularly in the central and eastern regions, is unfavorably commented upon in the Russian press. On October 25, 1935, 14 percent of all grain was still reported unthreshed for the Union as a whole, reaching 30 percent and even more in some individual regions. Losses from late threshing are no doubt large again this year, although possibly not quite so large as in 1934.

Grain exports.- Exports of wheat and barley, which were very low during the crop year 1934-35, were resumed during the current season. Shipments for the 4 months July-October through the South Russian ports (through which the bulk of Soviet grain exports pass) amounted to 15,000,000 bushels of wheat, about 20,000,000 bushels of barley, and small quantities of rye, oats and corn. These exports exceeded those for a similar period of 1933, when less than 11,000,000 bushels of wheat and about 14,000,000 bushels of barley were shipped through the South Russian ports. From the rate of shipments thus far, it appears that the total exports for the season may be above those for 1933-34, when 34,000,000 bushels of wheat and wheat flour and 26,000,000 bushels of barley were shipped from the Soviet Union.

The 1935 fall seedings.- The fall sowing campaign progressed at approximately last year's pace up to September 10, which was considerably better than during previous years. After that date, sowings exceeded those of 1934 and continued at somewhat higher levels up to the end of the campaign. Fall sowings have now been practically completed, with 96 percent of the plan put in by October 25. The total fall-sown acreage on that date was reported at 89,320,000 acres as compared with 87,995,000 acres at the same time a year ago.

When the regional distribution of sowings is considered, there must be noted a rather considerable lag during the early part of the campaign in the winter wheat belt. Sowing in Ukraine and the former North Caucasus up to September 10 were 12 and 38 percent, respectively, below those for 1934. During the following 5 to 10 days, however, sowings picked up considerably and have since progressed at a more rapid rate than in 1934. On October 20 Ukraine had sown 99 percent of the plan as compared with 97 percent in 1934, with the winter wheat plan exceeded by 1.1 percent as of October 10. A larger acreage was sown within the officially set optimum dates this year as compared with 1934 in southern and central parts of the Union, comprising the greater part of the winter wheat area. In the northern part of the Union, on the other hand, a considerable proportion of the planned acreage remained to be sown when the optimum dates arrived.

It appears that the earlier deficiency in soil moisture in southern Ukraine, Crimea, and some southeastern regions has not been fully corrected. A good snow cover and slow melting in the spring to facilitate absorption of available moisture, therefore, seems especially essential this season.

Government Measures and Grain Policy 5/

Governmental measures in the general field of grain policy during the months of September and October were of minor importance and mainly within the authority of basic measures previously instituted.

In Germany wheat flour prices were raised and rye flour prices reduced. The equalization fee paid by wheat millers was raised and its distribution regulated - all of which measures aimed at maintenance of present prices of ordinary bread. Permission for a considerable premium for domestic "gluten wheat" was also granted, a step indicative of the basic need for this type of grain. A new grain import organization was founded in October, the members and agents of which are the established German grain import and export trade. Its policies will be determined by the Minister of Agriculture.

In Austria the distribution of low-priced feedstuffs to mountain farmers and prohibition of hay and straw exports were resorted to as the result of a feed-supply shortage. Exports of hay and straw were also prohibited in Italy. In Poland low maximum milling extraction for wheat and rye was prescribed, for the purpose of increasing domestic consumption of these grains, and aiding the discontinuance of export subsidies. Measures taken in other countries were largely under previous legislation, such as the fixing and distribution of grain acreage premiums to Belgian farmers, changes in the sliding grain surtariffs in Czechoslovakia, reductions in the sliding grain import taxes in Denmark, the latter as the result of higher world prices, etc.

The European Wheat Market Situation during October 5/

A fair and even favorable volume of European import buying of overseas wheat was recorded during the first half of October, but in the second half bearish influences prevailed incident to the improved crop outlook in the Southern Hemisphere, uncertainty about future Canadian wheat policies, larger arrivals from overseas and the consequent increasing stocks in the United Kingdom and Irish ports. Canadian offers were at times described as pressing, and Russian wheat was offered and sold freely at competitive prices. The main buyers of Russian wheat were the United Kingdom and Holland, but sales and shipments were also made to Austria and the Italian colonial port of Massaua. Turkish wheat was reported to have been sold in relatively large quantities to Italy proper. Australian and Plates were important items in the takings of Holland and Belgium as well as the United Kingdom, where some Rumanian and even Polish wheat was also sold. On the other hand, offers of Swedish and French wheat were lacking. Sweden is not expected to export much wheat this

5/ Prepared from a report by Agricultural Attaché Lloyd V. Steere at Berlin.

season. France, however, has recently offered abroad some of her 1934 security stocks. This French wheat is reported unfit for milling and because of its progressive deterioration will require early disposal. The price prospects for such French wheat are not very good because the spread between good milling and feed wheat in European import markets is now much wider than it was a year ago, despite the reduction of stocks destined ultimately for feeding purposes in various countries.

Prices of overseas wheat in Europe were lower in the second half of the month than at the beginning. Prices of domestic wheat, on the other hand, were mostly firm, except for a slightly declining tendency in France. Reduced farm offerings on account of autumn field work, the lower qualitative or quantitative outturn of the crops in several countries, (including feed crops), as well as some government measures - such as the new regulations for milling extraction in Poland - were mostly responsible for the strengthening of domestic values.

The Shanghai Wheat Market 6/

Flour prices in China in terms of Chinese money have advanced materially, causing prices to be the highest since February 1931. However, when the United States exchange rate is taken into consideration, flour prices, although still relatively high, are actually somewhat lower than a month ago. If foreign wheat quotations do not advance, local prices might soon reach levels at which imports will again be possible. Local prices are high largely as the result of a short domestic wheat crop, higher world prices, and recent currency inflation.

There is some opinion to the effect that imports of foreign wheat into China during the current crop year will be less than a year ago. The demand for flour is believed to be less than a year ago, due principally to substitution of other feeds, according to Acting Agricultural Commissioner F. J. Rossiter. The prices of these feeds have not advanced proportionately to those of wheat. There were no imports into Shanghai in October and no foreign wheat has thus far been booked for November or December delivery.

Shanghai prices of wheat, duty included, for the week ended November 22 were quoted as follows: New South Wales 87.62 cents per bushel in bulk, and Australia 89.34 cents per bushel in bags, both for January shipment; domestic standard for December delivery 82.97 cents per bushel. Shanghai flour was 91.74 cents per bag of 49 pounds for November delivery, 92.92 cents for December and 93.52 cents for January delivery. Australian flour, c.i.f. Hongkong, was $3.33 per barrel of 196 pounds.

6/ Based on a radiogram from the Shanghai office of the Foreign Agricultural Service, dated November 23, 1935.

Table 6.-Wheat, including flour: Movement from principal exporting countries, 1932-33 to 1935-36

Country	Exports as given by official sources						
	Total			July 1 to date shown			
	1932-33	1933-34	1934-35	1933-34	1934-35	1935-36	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	41,210	37,002	21,532	6,132	10,125	5,322	Oct.31
Canada	267,342	198,555	169,630	77,484	74,622	84,558	Oct.31
Argentina	120,272	144,854	187,000	44,160	65,765	40,667	Oct.31
Australia	148,552	86,509	108,010	9,100	7,647	7,518	July 31
Russia	19,676	33,787	4,286	2,320	1,501	4,288	Aug.31
Hungary	7,010	29,615	12,499				
Yugoslavia	1,162	839	4,401	380	2,090	51	Oct.31
Rumania	179	248	3,432	84	0	2,646	Oct.31
Bulgaria	3,144	4,236	375	1,721	7	1,194	Oct.31
British India	2,169	2,084	2,318				
Total	610,716	537,729	513,483				

	Shipments as given by trade sources						
	Total		Week ended (1935)			July 1-Nov.16	
	1933-34	1934-35	Nov.2	Nov.9	Nov.16	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 1/..	220,616	168,712	5,880	4,632	4,186	76,080	68,786
Canada,4 markets2/	194,213	176,059	9,066	5,052	6,646	108,814	141,441
United States	37,002	121,532	900	395	127	10,848	5,776
Argentina	140,128	186,228	1,484	1,792	1,169	73,392	43,733
Australia	90,736	111,628	2,792	2,160	2,802	39,064	36,138
Russia 3/	26,656	1,696	456	1,224	992	1,152	17,232
Danube and Bulgaria 3/	15,872	4,104	840	728	104	552	5,728
British India	4/ 2,084	4/ 2,318	16	24	80	304	256
Total 5/	496,092	474,686				190,544	171,873
Total European shipments 1/ ...	401,560	387,752	8,800	7,328		6/ 154,344	6/ 125,120
Total ex-European shipments 1/ ...	123,352	142,424	3,664	3,936		6/42,744	6/49,728

1/ Broomhall's Corn Trade News.
2/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
3/ Black Sea shipments only.
4/ Total exports as given by official sources.
5/ Total of trade figures includes North America as reported by Broomhall's.
6/ To November 9.

Table 7.- Wheat, including flour: Shipments from principal exporting countries, specified dates, 1934-35 and 1935-36

Period	Argentina		Australia		Danube		North America	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 - Sept. 28	50,156	31,100	25,820	20,100	408	1,992	49,256	32,984
Week ended								
Oct. 5	4,456	3,136	1,720	1,936	0	344	4,616	3,944
12	4,276	1,880	2,804	1,808	0	400	3,128	3,968
19	2,800	1,368	1,232	2,508	32	544	4,352	3,928
26	1,568	1,804	2,256	2,032	0	776	3,920	3,664
Nov. 2	1,964	1,484	3,224	2,792	0	840	3,400	3,880
9	4,200	1,792	2,808	2,160	56	728	4,232	4,832
16	3,972	1,169	1,200	2,802	56	104	3,176	4,186
Total	73,392	43,733	39,064	36,138	552	5,728	76,080	1/ 68,786

Compiled from Broomhall's Corn Trade News.
1/ Total revised to include data not available weekly.

Table 8.- United States: Exports of wheat and wheat including flour, 1934-35 and 1935-36 1/

Period	Wheat		Wheat flour		Wheat including flour	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July	825	66	286	248	2,168	1,231
Aug.	1,776	8	440	270	3,845	1,278
Sept.	109	14	443	279	2,190	1,324
Oct.	57	14	397	314	1,923	1,489
Week ended						
Nov. 2	1	2	43	191	203	900
9	146	0	59	84	423	395
16	0	0	42	27	197	127

Compiled from reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 9.-Wheat, including flour: Net imports into European countries, year beginning July 1, 1933-34 to 1935-36

Country	1933-34	1934-35	Net imports reported		
			July 1 to	1934-35	1935-36
	Million bushels	Million bushels		Million bushels	Million bushels
Austria	11	10	Sept. 30	2	2
Belgium	43	40	Aug. 31	8	7
Czechoslovakia	1/	1			
Denmark	12	19	Sept. 30	4	2
Estonia	2/	2/	Aug. 31	0	0
Finland	4	4	Sept. 30	1	1
France	18	3/- 17	July 31	1	1/
Germany	3/- 4	11	Sept. 30	4	2/
Greece	12	11			
Irish Free State	19	17	Sept. 30	5	3
Italy	8	10			
Latvia	0	1/			
Netherlands	24	19	Oct. 31	6	8
Norway	9	9	Sept. 30	2	2
Poland	3/- 2	3/- 4	Sept. 30	3/- 2	3/- 2
Portugal	1	1			
Spain	1/	1/	Aug. 31	1/	1/
Sweden	2	3/- 2	Sept. 30	1/	3/- 1
Switzerland	18	18	Sept. 30	4	5
United Kingdom	216	202	Sept. 30	54	46
Total	391	349		89	73

Compiled from official sources.

1/ Net exports of less than 500,000 bushels.
2/ Less than 500,000 bushels.
3/ Net exports.

Table 10.- Wheat: Imports into the United States for domestic utilization and for grinding in bond and export, 1923-24 to 1934-35, and monthly, July - October 1935

Crop year	Full duty wheat (Tariff 42 cents)	Wheat unfit for human consumption (Tariff of 10 percent ad. val.) 1/	Total imports for domestic utilization (Total of first 2 columns)	For grinding in bond and export 2/
	Bushels	Bushels	Bushels	Bushels
1923-24	13,783,423	---	13,783,423	13,904,837
1924-25	272,548	---	272,548	5,813,353
1925-26	1,664,843	---	1,664,843	13,421,480
1926-27	48,808	---	48,808	13,171,683
1927-28	161,297	---	161,297	15,043,679
1928-29	79,136	---	79,136	22,480,962
1929-30	44,607	---	44,607	12,903,364
1930-31	40,756	307,336	348,092	19,013,090
1931-32	6,057	---	6,057	12,878,851
1932-33	5,767	1,354	7,121	9,372,151
1933-34	143,656	5,729	149,385	11,341,052
1934-35	5,905,380	8,146,044	14,051,424	11,064,092
1935-36				
July	100,531	692,603	793,134	715,172
Aug.	1,661,658	908,447	2,570,105	1,045,428
Sept.	2,832,254	812,040	3,644,294	697,035
Oct.	5,042,638	281,298	5,323,936	1,258,735
Total, July-Oct.	9,637,081	2,694,388	12,331,469	3,717,270

Division of Statistical and Historical Research. Imports for consumption from United States Tariff Commission, July 1923 to December 1933, and from Bureau of Foreign and Domestic Commerce, January 1934 to date.

1/ Beginning June 18, 1930, a new classification, "wheat unfit for human consumption", was introduced by the 1930 Tariff Act.
2/ Includes wheat for grinding in bond for export, which enters duty free. Beginning June 18, 1930, includes wheat ground into flour in bond for export to Cuba, a new classification in the 1930 Act. (The duty on this wheat equals the reduction in Cuban duty and consumption tax applicable by treaty to such flour imported into Cuba.)

Table 11.- Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, August - October 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 7	111.5	128.5	77.7	67.0	84.7	59.6	212	156	242
14	113.3	131.5	83.4	72.4	89.2	61.7	212	153	244
21	117.1	136.0	86.3	80.7	96.1	66.0	212	151	---
28	117.7	135.5	82.4	77.2	96.6	70.3	---	---	---
Oct. 5	121.9	137.3	85.4	80.8	101.0	74.4	215	147	239
12	122.7	138.6	84.6	78.8	100.2	77.7	215	144	246
19	116.4	132.7	81.4	78.1	99.7	80.0	215	144	---
26	114.5	132.1	79.9	78.0	98.8	81.2	215	144	244
Nov. 2	113.3	128.6	77.2	75.0	90.9	80.1	215		
9	111.3	127.3	76.0	73.3	90.2	80.2			
16	110.6	125.2	76.6	69.6	87.7				

Prices are averages of daily prices for week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ Central German wheat, wholesale trade price free Central German station.
8/ Free market prices from January 1, 1935.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Division of Statistical and Historical Research
Washington

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December 30, 1935

WORLD WHEAT PROSPECTS

Summary

European imports thus far this season are somewhat below those for the corresponding period of last year. Important import markets have been depending largely upon home marketings and stocks, with the result that these supplies are now dwindling and must be increasingly supplemented and finally replaced by an increase in imports. Such increase in imports as may occur in Europe, however, may be covered by an increase in the exports from Russia and the Danube so that the demand for overseas wheat may be no greater than last year.

Canadian wheat prices are now well under those of Argentina as the result of the failure of its prices to follow the recent rise in Argentina's prices. Stocks remaining for export or carry-over in Canada on December 1 totaled 296,000,000 bushels while supplies in Australia and Argentina together, taking into consideration December 1 stocks and the excess of the new crop over domestic requirements, will perhaps be in the neighborhood of only 170,000,000 bushels. Of this amount close to 100,000,000 bushels will probably be shipped to non-European countries.

Wheat prices in the United States, reflecting the Liverpool market, declined during the first part of December and offset the gain made during the last half of November. On December 13 prices rose sharply both in the United States and abroad following the announcement of the new minimum price for Argentina.

The 1935-36 world wheat crop exclusive of Russia and China is now estimated at 3,487,000,000 bushels compared with 3,470,000,000 bushels last year and an average of 3,764,000,000 bushels during the past 5 years. The Northern Hemisphere excluding Russia and China is placed at 3,120,000,000 bushels compared with 3,024,000,000 bushels last year and 3,244,000,000 bushels in 1933. The Southern Hemisphere production is estimated at 365,000,000 bushels, the smallest since 1929 when 367,000,000 bushels were produced. The North American crop is 13 percent, the European crop 0.8 percent, and the Asiatic crop 1.1 percent above last year but the North African crop is 18 percent below 1934.

The acreage sown to winter wheat in the United States in the fall of 1935 is estimated to be 6.7 percent above that of 1934 and 5.7 percent more than the 1927-31 average. The acreage sown in Canada, on the other hand, is estimated to be 25 percent less than that of 1934. Condition of the crop in the United States was estimated to be about the same as a year ago, while the condition in Canada, reported as of October 31, was considerably less than in the fall of 1934.

Wheat Production in 1935-36

The 1935 production of all wheat in the United States estimated at 603,199,000 bushels is 21 percent above last year's very short crop of 496,929,000 bushels, but is 30 percent below the 1928-32 average production of 860,570,000 bushels. The total wheat acreage harvested in 1935 was 49,826,000 acres compared with 42,249,000 acres in 1934 and the 1928-32 average of 59,885,000 acres.

The final estimate of the Canadian crop will not be released until January 23, 1936. The November estimate of 273,971,000 compares with 275,849,000 bushels last year and the 1930-34 average of 348,560,000 bushels. Exports of wheat and flour from August to November 30 were 102,561,000 bushels compared with 80,847,000 bushels during the same period last year.

The European production, excluding Russia, is estimated at 1,547,000,000 bushels compared with 1,535,000,000 bushels in 1934 and is the second largest crop on record in Europe, being exceeded only by the 1933 crop of 1,749,000,000

bushels. The United Kingdom, Poland, France, Spain, Portugal, and the Northern and Western European countries reported smaller crops while Italy, Germany, Austria, Czechoslovakia, Greece, and the Danubian countries reported larger crops.

Procurings of all grains in the Soviet Union up to November 10 this year amounted to 23,900,000 short tons compared with 20,950,000 short tons in 1934, according to an economic survey published in "Izvestia" November 23, 1935. While no details were given, it would appear that these figures apply to grain deliveries from all sources, excluding Government purchases of grain on the free market.

Important decreases in the production in Algeria and Morocco reduced the North African total 25,000,000 bushels below the 1934 production. The total production in the Asiatic countries for which reports are available is above last year.

The Australian crop has been officially estimated at 140,000,000 bushels compared with 133,489,000 bushels last year and an average of 185,792,000 bushels during the past 5 years. Very good yields were reported in Victoria, average yields in New South Wales but only mediocre in Western Australia. The quality of the crop is good, according to early reports.

The first official estimate of the 1935-36 wheat production in Argentina is 144,035,000 bushels, according to a cable from the Buenos Aires office of the Foreign Agricultural Service. This estimate is 96,634,000 bushels or 40 percent below the 1934 harvest of 240,669,000 bushels and the smallest since the poor year of 1916. The harvested area this season is estimated at 11,913,000 acres compared with 17,154,000 acres last season.

Condition and Acreage of Fall-sown Wheat

The acreage sown to winter wheat in the United States in the fall of 1935 for harvest in 1936 is estimated at 47,529,000 acres, compared with 44,530,000 acres sown in the fall of 1934 and 44,969,000 acres, the 1927-31 average. Acreage has been increased in all of the important winter wheat States except Washington. Heavily increased seedings are also estimated in the States of Minnesota, South Dakota, Montana, Wyoming and Colorado. The condition of winter wheat on December 1 was reported at 78.2 percent of normal compared with 77.8 percent a year ago.

The acreage sown to fall wheat in Canada in the fall of 1935 is estimated at 514,000 acres, a decrease of 25 percent from the 685,000 acres sown in 1934. The condition of the crop on October 31 was reported at 85 percent of the long-time average yield per acre, compared with 105 percent a year ago.

In most European countries the winter wheat has been seeded under generally fair to good conditions. The new crop is reported average or above in most districts though generally below the condition a year ago. The fall of 1934, however, was unusually mild and favorable for the germination of the new crop. Though rains have fallen in most countries, with France and England even having excessive rain, there have been many reports of a deficiency in moisture this season. In parts of the Danube Basin, western Poland, some sections of Germany and Czechoslovakia, rains have not been sufficient to overcome the dryness in the soil.

Table 1.- Wheat: Production in specified countries, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	745,788	528,975	496,929	603,199
Canada	443,061	281,892	275,849	273,971
Mexico	9,658	12,122	10,950	10,279
Total (3)	1,198,507	822,989	783,728	887,449
Europe:				
England and Wales	41,253	58,725	65,259	60,590
Scotland	2,240	3,472	4,144	4,443
Northern Ireland	121	227	363	1/ (200)
Irish Free State	831	1,983	3,803	1/ (3,500)
Norway	749	755	1,204	1,707
Sweden	26,500	29,204	28,376	23,185
Denmark	10,997	11,543	12,847	1/ (12,900)
Netherlands	12,838	15,325	18,042	15,921
Belgium	15,376	15,067	16,134	13,782
France	333,524	362,330	338,513	278,767
Spain	184,207	138,235	173,601	149,533
Luxemburg	719	995	1,171	1,009
Portugal	23,791	16,281	24,690	15,900
Italy	276,922	298,548	233,064	283,455
Switzerland	4,001	4,957	5,342	5,824
Germany	183,830	205,920	166,541	171,768
Austria	12,193	14,615	13,308	15,590
Czechoslovakia	53,737	72,921	50,014	62,095
Greece	17,067	28,385	25,679	30,864
Poland	49,472	79,883	76,440	73,434
Lithuania	9,423	8,192	10,475	9,593
Latvia	5,292	6,725	8,051	6,906
Estonia	2,085	2,451	3,107	2,548
Finland	1,483	2,460	3,278	3,252
Malta	301	305	310	179
Albania	1,554	2,380	1/ (2,000)	1/ (2,000)
Total (26)	1,270,506	1,381,884	1,285,756	1,248,945
Bulgaria	48,125	55,454	39,595	47,925
Hungary	64,463	96,356	64,824	73,948
Rumania	55,537	119,072	76,553	102,881
Yugoslavia	53,444	96,582	68,328	73,101
Total (4)	221,569	367,464	249,300	297,855
Total Europe (30)	1,492,075	1,749,348	1,535,056	1,546,800

Continued -

Table 1.- Wheat: Production in specified countries, 1932-33 to 1935-36 - Cont'd.

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North Africa:				
Algeria	29,237	31,998	43,528	31,158
Morocco	27,970	28,902	39,683	17,787
Tunis	17,453	9,186	13,779	17,269
Egypt	52,586	39,951	37,277	43,221
Tripolitania	147	147	231	176
Eritrea	52	110	129	110
Kenya	212	485	601	712
Total (7)	127,657	110,779	135,228	110,433
Asia:				
India	336,896	352,987	351,456	363,029
Japan	31,336	40,410	47,660	48,722
Chosen	8,576	8,887	9,268	8,957
Turkey	68,977	99,637	99,710	93,166
Total (4)	445,785	501,921	508,094	513,874
Total, 44 countries	3,264,024	3,185,037	2,962,106	3,058,556
Southern Hemisphere:				
Argentina	240,889	286,120	240,669	144,035
Australia	213,927	177,338	133,489	140,000
Union of South Africa	10,627	11,762	15,343	17,870
Total (3)	465,443	475,220	389,501	301,905
Total, 47 countries	3,729,467	3,660,257	3,351,607	3,360,461
Estimated world total excluding Russia and China	3,854,000	3,790,000	3,470,000	3,487,000

Compiled from official sources except as otherwise noted.
1/ Unofficial.

Little definite information as to the extent of the seedings is available. Poland, the only country for which a report is available, estimated the winter wheat acreage at 0.2 percent less than last year but the rye acreage is 0.6 percent above last year. Italy has made every effort to sow a full acreage and cultural care may also be expected to be as good as possible. Lower prices are believed to be restricting the area in France slightly and also reducing the application of fertilizer. A slight decrease may occur in Germany owing to the new fixed price relationships placing wheat at a slight disadvantage compared with other grains. Czechoslovakia is expected to restrict acreage significantly, though perhaps not to the full extent of the decreed 8 percent reduction. Dry weather during September and most of October in the Danube Basin delayed seedings but toward the end of October rains fell over practically the entire Basin. Seedings were completed by the middle of November in Hungary and Yugoslavia and were being continued in Rumania and Bulgaria. A smaller area has been seeded in Rumania than last year.

Normal sprouting conditions may be assumed for the greater part of Soviet Russia. However, a less favorable situation apparently exists in parts of the South as a result of a dry autumn. For example, a recent report for the important winter wheat Odessa region of Ukraine indicated that rainfall there had been only a fraction of normal and concern was felt for the winter crops. Despite late October rains, therefore, the supply of soil moisture is probably insufficient in this as well as in some other sections of the South, including the valley of the River Don.

Trade reports state that conditions in India were generally favorable for the sowing of wheat and an area equal to last season is expected.

World Rye Production and United States Sown-acreage

Rye production for 1935 in 30 countries is now reported at 962,340,000 bushels compared with 926,120,000 bushels in 1934 and 1,043,912 in 1933.

Table 2.- Rye production, 1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
RYE				
United States	40,639	21,150	16,045	57,936
Canada	8,470	4,177	5,423	10,610
Europe (26)	931,696	1,005,126	895,017	882,714
Algeria	26	29	45	25
Turkey	7,800	13,430	9,590	11,055
Total, 30 countries	988,631	1,043,912	926,120	962,340

United States rye acreage sown for all purposes in the fall of 1935 is estimated at 6,336,000 acres. This is 2.9 percent above the 6,159,000 acres sown in the fall of 1934. A substantial increase in the acreage seeded to rye in the area west of the Missouri River is offset in part by reduced seedings in the eastern and southern areas of the United States. The increased seeding of rye in western areas this fall has resulted from more favorable moisture conditions at seeding time than in 1934 when drought reduced seedings below the average. In the eastern area farmers seeded fewer acres than in the fall of 1934 when a pasture and feed shortage encouraged the planting of rye for livestock feed. Ordinarily only about 60 percent of the seeded acreage of rye is harvested for grain, the remainder being utilized for hay, pasture, or turned under as a soil improvement crop.

The condition of rye on December 1 is reported at only 69.1 percent of normal as compared with 80.4 percent of normal on December 1, 1934, 69.9 percent on December 1, 1933, and the 10-year (1923-32) average of 84.9 percent. A shortage of rainfall in the western areas subsequent to seeding is reflected in the December 1 condition.

Wheat Prices

The United States average farm price of wheat in mid-November was 88.7 cents. A month earlier it was 96.3 cents and a year earlier 88.1 cents per bushel. The average price for the week ended December 14 of No. 2 Hard Winter at Kansas City at $1.10 and No. 2 Hard Amber Durum at Minneapolis at $1.13 were 1 and 2 cents lower, respectively, than a month earlier, when prices were at the recent low point, and 4 and 1 cent lower than 3 weeks earlier, when prices had somewhat recovered. No. 1 Dark Northern Spring at Minneapolis at $1.25 for the week ended December 14 was the same as a month earlier but 6 cents lower than 3 weeks earlier, while No. 2 Red Winter at St. Louis was 1 cent higher than the week ended November 16 but 2 cents lower than the week of November 23.

Recent prices of No. 1 Dark Northern Spring wheat averaged only 7 cents higher than a year ago (spread was 11 cents a month ago), and No. 2 Hard Winter was 4 cents higher than a year ago. Good quality hard wheat prices have been relatively higher than a year earlier owing to the fact that the United States is on an import basis this year for hard wheat for milling purposes. On the other hand, the price of No. 2 Hard Amber Durum has been running at least 23 cents less than a year ago because supplies this year are ample to meet domestic requirements, whereas last year it was necessary to import this type of wheat. With the influence of increased supplies of Red Winter largely offset by increased demand for milling purposes this year, prices for No. 2 at St. Louis have been averaging close to the levels of a year ago. Prices of all classes and grades in six markets have been averaging around 15 cents lower than a year ago, reflecting the relatively poor milling value of our domestically produced bread wheats this year.

Table 3.- Wheat: Closing Saturday prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	113	108	109	111	114	126	98	95	101	99 4/	78 5/	91
Low 3/	89	82	83	78	83	83	78	82	69	71 4/	53 5/	62
Nov. 16	101	96	99	98	107	113	80	85	71	88	53	68
23	100	100	98	102	106	115	80	87	70	91	53	71
30	100	98	100	98	107	111	80	84	70	90	55	73
Dec. 7	102	96	104	97	111	109	82	84	73	88 6/	58 6/	69
14	100	101	102	99	110	112	79	85	71	92 6/	56 6/	91

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ July 1 to date.
4/ October, December and February futures.
5/ November, December and February futures.
6/ January futures.

Table 4.- Wheat: Weighted weekly average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935	1934	1935
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	122	112	109	123	124	139	153	121	105	113	99	90
Low 2/	89	93	88	93	97	109	110	101	89	85	74	74
Nov. 16	113	96	102	111	114	125	144	115	102	102	86	82
23	114	99	103	114	113	131	143	114	101	105	84	84
30	115	99	103	113	114	131	139	114	101	105	82	84
Dec. 7	113	98	107	109	117	128	138	108	105	102	84	83
14	111	97	106	110	118	125	136	113	104	103	85	

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ July 1 to date.

Table 5.- Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, October - December 1935

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/ 8/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Oct. 5	121.9	137.3	85.4	80.8	101.0	74.4	215	147	239
12	122.7	138.6	84.6	78.8	100.2	77.7	215	144	246
19	116.4	132.7	81.4	78.1	99.7	80.0	215	144	---
26	114.5	132.1	79.9	78.0	98.8	81.2	215	144	244
Nov. 2	113.3	128.6	77.2	75.0	90.9	80.1	215	---	---
9	111.3	127.3	76.0	73.3	90.2	80.8	217	140	245
16	110.6	125.2	76.6	69.6	87.7	78.0	217	139	246
23	113.7	131.1	79.0	72.0	89.3	75.9	217	139	
30	112.8	131.2	78.2	73.3	90.8				
Dec. 7	108.9	127.6	75.6	70.3	88.6				
14	110.0	125.4	75.5	79.5	89.7				

Prices are averages of daily prices for week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.
1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring. 3/ No. 3 Manitoba Northern. 4/ Near futures. 5/ Home-grown wheat in England and Wales.
6/ Domestic. 7/ Central German wheat, wholesale trade price free Central German station. 8/ Free market prices from January 1, 1935.

Stocks and World Trade

Wheat stocks in Canada remaining for export or carry-over on December 1 totaled about 263,000,000 bushels compared with 289,000,000 bushels December 1, 1934. In addition, Canadian grain in bond in the United States amounted to 33,000,000 bushels compared with 24,000,000 bushels in 1934. Based on December 1 stocks and prospective production, it would appear that Australia would have less than 100,000,000 bushels of wheat in excess of probable utilization, compared with 118,000,000 bushels a year ago and 134,000,000 bushels in 1933. If Australia should ship about 50,000,000 bushels to the Orient, it would leave less than 50,000,000 bushels available for European markets. Similarly, Argentina would have a total of perhaps only about 75,000,000 bushels, considering December 1 stocks plus production minus utilization. This figure compares with 171,000,000 a year earlier and 203,000,000 bushels 2 years ago. With Argentina usually supplying in the neighborhood of 40,000,000 bushels to Brazil and other non-European countries, there would be little remaining to ship to Europe from that country.

Table 6.- Wheat: Surplus for export or carry-over in the three principal exporting countries, United Kingdom port stocks and stocks afloat, December 1, 1932 - 1935

Position	1932	1933	1934	1935
	Million bushels	Million bushels	Million bushels	Million bushels
Canada				
In Canada	346	308	289	263
In United States	15	15	24	33
Argentina	18	13	26	22
Australia	11	18	40	13
Total	390	354	379	331
United Kingdom port stocks	7	17	15	9
Stocks afloat to				
United Kingdom	19	13	16	(
Continent	16	9	10	(27
Orders	5	6	8	(
Total	47	45	49	36
Total above	437	399	428	367

The quantity of wheat still available for export from the Danube Basin countries on December 1 is estimated at 17,500,000 bushels. The total surplus for the 1935-36 season from these countries is now placed at only about 32,000,000 bushels compared with the former figure of 36,000,000 bushels. The decrease is due to the reduction in the Yugoslavian surplus from 5,500,000 to 1,500,000 bushels, which revision seemed desirable because of the fact that this year's corn crop is poor in Yugoslavia.

It is still believed that wheat exports from Soviet Russia this season may exceed those of 1933-34, when a total of 34,000,000 bushels were shipped. Exports from South Russia for the first 5 months of the current marketing year amounted to 19,328,000 this year compared with 15,000,000 in the same period in 1933. During the past 5 years from two thirds to three fourths of the total Russian wheat exports took place by December. However, with the probability of a fairly well maintained price level in foreign markets it does not seem unlikely this season that a somewhat larger proportion of the exports may take place during the last half of the marketing year.

This distribution of current stocks confirms previous statements to the effect that Canada dominates the European supply situation this season. Whereas Canadian exports have been below expectation, present prices indicate that Canada is now willing to adjust prices in order to reduce its surplus to nearer normal proportions. On December 13 when the Argentine Government announced a considerable increase in its fixed minimum price to growers, prices at Winnipeg failed to follow the advance, with the result that No. 3 Manitoba at Winnipeg, which had been about the same as Argentina's December future, became 13 cents under that price. Moreover, Manitobas command a quality premium of from 5 to 10 cents a bushel over the Argentine Rosafe quotation. Such reduction in stocks as Canada does make will result in additional improvement in the general world wheat supply situation. In 1933, stocks in the principal exporting countries were over two and one half times as large as in the years 1922 to 1927, but by the beginning of the current crop year this had been reduced to about one and two thirds of the 1922-1927 average.

World shipments July 1 to December 4 this year compared with 1934 are shown in Table 7. Thus far, total shipments are more than 20,000,000 bushels below those of a year ago, due principally to decreased shipments from the Southern Hemisphere. Table 7 shows that shipments from South Russia and the Danube have increased materially this year. Shipment figures for the principal exporting countries for the week ended December 14 and the 2 weeks previous are given in Table 13.

Table 7.- Wheat, including flour: World shipments, July 1 - December 14, 1934 and 1935

Country of origin	Shipments, July 1 - Dec. 14		Difference 1935 compared with 1934 1/
	1934	1935	
	1,000 bushels	1,000 bushels	1,000 bushels
North America ..	87,912	86,671	- 1,241
Argentina	85,440	49,101	- 36,339
Australia	46,188	41,791	- 4,397
Russia	1,656	22,400	+ 20,744
Danube	568	7,096	+ 6,528
Other	22,268	15,982	- 6,286
Total	244,032	223,041	- 20,991

Compiled from Broomhall's Corn Trade News.
1/ + = increase, - = decrease.

Imports into Germany, Belgium and Netherlands 1/

It still seems unlikely that wheat imports into Germany this season will assume significant proportions. German wheat disappearance during the 2 months of September and October this year was about 5 percent below last year. However, disappearance in these 2 months is always characterized by considerable fluctuation because it includes fall seed requirements as well as utilization. During the first 3 months of 1935-36 there were net imports of wheat and flour of 220,000 bushels compared with 3,900,000 bushels a year earlier. The low 1935 figure is largely due to wheat exports of about 370,000 bushels to The Netherlands.

A noticeable increase in Belgium wheat import requirements is expected by the trade as the result of the wheat crop in that country being considerably below last year and the potato crop being disappointing.

Trade estimates of the probable net imports into Holland during 1935-36 have recently become more pessimistic because of the unfavorable economic conditions which are expected to result in further declines of bread consumption. Some of these estimates are around 20,000,000 bushels or only slightly more than last year.

Government Measures and Grain Policy 1/

The Government measures during the past several weeks are relatively unimportant except for a change in the French wheat legislation to which more practial significance must be attached. This change involves the suppression of the production tax and the establishment of grain confiscation in times of surplus. The system of subsidized removal of surpluses is done away with and a limitation and control of individual mill grindings, supplemented by a prohibition to increase mill capacity, is established.

In Italy the import system on a number of agricultural products has been somewhat modified; imports of wheat and semolina are now under the control of currency authorities rather than of the import organization alone. Sliding grain import taxes and surtariffs, respectively, in Denmark and Czechoslovakia were increased at the beginning of November, in view of the decline in world prices. In the United Kingdom, on the other hand, quota payments to the wheat commission by importers and millers of flour have been somewhat reduced.

1/ Based on a report from Assistant Agricultural Attaché Gordon P. Beals at Berlin.

French Legislation regarding Wheat Exports and Denaturing 2/

New wheat legislation was enacted in France and became effective with the promulgation of three decrees in the Journal Officiel of November 26 and 27, 1935. These decrees provide for the compulsory use by millers of 40 percent of "taken-in-charge" wheat instead of the former 25 percent, the non-subsidized export of bread wheat offset by sales of government-owned "security-stock" wheat within France, and the resumption of subsidized denaturing of "taken-in-charge" wheat.

Increase in compulsory use of "taken-in-charge" wheat. It will be recalled that since July 1935 there have been two categories of wheat in France, "free" and "taken-in-charge". There is a fixed price of $1.58 per bushel on the "taken-in-charge" wheat and, until November 25, 1935, millers were compelled to use this wheat up to 25 percent of their milling requirements, buying the remainder on the free market. Although the quantity of "taken-in-charge" wheat is not definitely known, it was estimated to have been about 38,600,000 bushels on August 1, 1935.

The new legislation decrees that beginning on November 27, 1935, millers must incorporate 40 percent of "taken-in-charge" wheat in their grist at the fixed price of $1.58 per bushel, thus leaving only 60 percent of their requirements to be bought on the free market. It is believed that this was done to facilitate the liquidation of "taken-in-charge" wheat, made up largely of 1934 grain which is of a poor quality for storing.

Non-subsidized exports of wheat. Article 6 of the law of December 24, 1934, authorized the French Government to purchase domestic wheat for the formation of a "security-stock". Purchases under this law were undertaken mainly to relieve the market of burdensome supplies existing at that time, and, although no definite figures have been released, it appears that the Government bought at least 20,200,000 bushels out of the possible 22,000,000 bushels which were authorized. The law stipulated specifically that this stock was not to be placed on the market as long as the mixing regulations required the use of 100 percent domestic wheat, as is the case at present.

The new decree authorizes the exportation of domestic wheat without subsidy which will be offset by government sales of similar quantities of wheat from the "security-stock". It should be noted that the present operation involves selling the "security-stock" on the domestic market, but the Government apparently feels this is justified so long as equivalent quantities of domestic grain are exported. The procedure on exports provides that the Minister of Agriculture will announce sales of "security-stock" wheat and call for bids. Before deliveries are made, purchasers must deposit in the Treasury the amount of the purchase price and prove that they have already exported corresponding amounts of domestic bread wheat, or equivalent quantities of flour or bran, to countries other than French possessions. Proceeds from the sale of "security-stock" wheat are to be deposited in the "Special Wheat Account", and the funds realized will be used by the Government in carrying out the new subsidized denaturing program which is contemplated.

2/ From "Foreign Crops and Markets", December 23, 1935, pages 904 and 905.

Resumption of subsidized denaturing of "taken-in-charge" wheat. The third decree authorized the denaturing of "taken-in-charge" wheat with payment by the Government of $0.54 for every bushel of wheat denatured. Wheat to be denatured must not contain more than 5 percent impurities, 5 percent small wheat, or 8 percent broken wheat. All other denaturing operations follow the lines laid down by previous legislation. This granting of subsidies for surplus disposal of wheat is in direct contradiction to the stipulations of the decree-law issued on October 31, 1935, and no explanation has been made to justify this change.

It is believed that the new policy for furthering the export and denaturing of wheat has a two-fold objective, the improvement of domestic wheat prices and the elimination of the "taken-in-charge" wheat, which is composed largely of 1934 grain of poor-keeping quality. Although the statistical position of wheat in France was greatly improved by the short crop of 1935, a small excess above the normal carry-over may still be anticipated on August 1, 1936. For this reason, the market has been weak, and prices have failed to reach levels desired by producers and organized agriculturists. Furthermore, the "taken-in-charge" wheat is said to be deteriorating rapidly, and pressing offers on the part of cooperative associations holding this type of wheat tend to react unfavorably on the market.

The European Wheat Market Situation during November 3/

European import buying of overseas wheat was quiet during the first half of the month, largely under the influence of receding prices. A great number of psychological factors combined to produce the bearish sentiment evident at the end of October and in the first half of November. In the second half of the month, however, European buying as well as prices of foreign wheat rallied and sentiment improved considerably. Factors which contributed to the strengthening of values included: Limited offerings from Russia and the Danube; declaration by Rumania that no wheat except against foreign exchange will henceforth be made; and increased demand from the United Kingdom and western Europe.

Trading in domestic wheat on the various European markets was of fair volume, with farm marketings high in the United Kingdom, Belgium, Germany, and Sweden. Farm offerings were light in Italy and Poland. Prices of domestic wheat tended to recede in France and Sweden, while firm tendencies prevailed in Austria and Poland.

On October 31, the French Government issued a decree-law on wheat, which while more important for future than present operations, has an important bearing on the market situation in the removal of the production tax amounting to 4 francs per quintal as of January 1, 1936. Millers are apparently maintaining a reserved attitude until after the first of the year, expecting that the full amount of 4 francs will not be added to growers returns, but that a portion may come off of delivered prices.

3/ Prepared from reports from the European offices of the United States Foreign Agricultural Service.

Activity has been light with the market showing an additional decline. The poor keeping quality of 1934 crop grain has been a factor in the current situation as offers of "stocked" wheat were pressed by the cooperative storages.

In the Danubian countries unseasonably small deliveries continued during the second half of October and until late in November and prices increased considerably. The November export situation in the Danubian Basin was characterized by the following developments: (1) High internal prices, which interfered with the execution of sales made by Government agencies earlier in the season. As a result these agreements had to be adjusted. (2) Hungary did not adhere to sanctions against Italy, and wheat exports to that country continued. Rumania excepted cereals from the list of commodities affected by sanctions and wheat exports to Italy continued even against immediate payment in strong currencies. (3) Navigation became normal on the Danube, and while up-river shipments were small, except from Hungary to Austria, shipments down-river to sea ports were rushed for fear of an early closing of navigation.

Table 8.- Wheat: Stocks in specified European countries, October 15 and November 15, 1934 and 1935

Position	1934		1935	
	Oct. 15	Nov. 15	Oct. 15	Nov. 15
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Ports:				
United Kingdom 1/ 2/	15,120	13,950	5,920	6,240
Antwerp	4,589	4,148	1,922	2,396
Rotterdam	2,627	2,568	1,003	1,492
Germany				
Berlin 1/ 2/	2,928	2,881	1,830	2,061
"Second-hand" stocks 1/ 2/	64,723	64,514	61,152	4/ 55,556
Farm stocks 2/	122,061	101,265	4/ 128,969	4/ 112,251
Others				
Swedish mill stocks of wheat 2/	3,333	3,318	3,160	2,737

1/ Wheat and flour. 2/ First of the month. 3/ In warehouses and flour mills, domestic wheat and flour as well as foreign duty-paid and duty non-paid. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin data. 4/ Preliminary.

Table 9-Wheat: Supply, distribution and disappearance in continental United States, 1930-31 to 1935-36

Item	Year beginning July					
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
SUPPLY	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Stocks, July 1:						
On farms 1/	60,092	33,039	92,772	82,309	60,323	41,926
In country elevators and mills 1/	60,166	30,252	41,585	64,296	48,150	31,464
Commercial stocks 2/	109,327	203,967	168,405	125,712	80,548	21,951
In merchant mills and elevators and stored for others 3/	59,170	41,806	71,714	107,052	83,114	49,471
In transit to merchant mills 3/	14,706	12,496	10,088	16,038	14,066	7,142
Total	303,461	325,960	384,564	393,407	286,201	151,954
New crop 1/	889,702	932,221	745,788	523,975	496,929	603,199
Imports (flour included)	19,366	12,886	9,382	11,589	25,961	
total supply	1,212,529	1,271,067	1,139,734	933,971	809,091	
DISTRIBUTION						
Exports and shipments:						
Exports (wheat only) 4/	76,365	96,521	20,887	18,800	3,019	
Exports (flour as wheat) 4/	55,110	39,276	20,324	18,202	18,513	
Reexports and shipments (flour included) to Alaska, Hawaii and Puerto Rico) 4/	2,870	3,661	3,479	2,800	2,942	
Total	134,345	139,458	44,690	39,802	24,474	
Seed requirements 5/	81,060	80,098	83,635	71,703	75,476	
Disappearance for food, feed and waste	671,164	666,947	618,002	536,265	557,187	
Carry-over, June 30 6/	325,960	384,564	393,407	286,201	151,954	
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Population, Jan. 1 7/	123,630	124,511	125,197	126,059	126,791	
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Per capita disappearance:						
For food, feed, and loss	5.43	5.36	4.94	4.25	4.39	
For food, feed, seed, and loss	6.08	6.00	5.61	4.82	4.99	

Bureau of Agricultural Economics. Compiled as follows: 1/ Based on returns to the Bureau from crop reporters. 2/ Bureau of Agricultural Economics. 3/ Bureau of the Census figures raised to represent all merchant mills; stocks stored for others included. 4/ From reports of Foreign and Domestic Commerce of the United States; imports include wheat for milling in bond and export, and reexports and shipments include flour milled from imported wheat. 5/ Amount of seed used per acre from returns to the Bureau from inquiries sent to crop reporters. 6/ For individual items see above. 7/ Bureau of the Census.

Note: Flour stocks which have been included in the computation heretofore have now been eliminated because of their non-comparability and incompleteness.

Table 10.-Wheat: World supply, price and disappearance, 1921-22 to 1935-36

Year	Production						
	United States	Canada	Argentina	Australia	Europe 1/	All other 2/	World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	135	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	644	3,673
1928-29	913	567	349	160	1,410	596	3,995
1929-30	822	305	163	127	1,451	705	3,573
1930-31	890	421	232	214	1,360	734	3,851
1931-32	932	321	220	191	1,436	756	3,856
1932-33	746	443	241	214	1,492	718	3,854
1933-34	529	282	286	177	1,749	767	3,790
1934-35 3/ ..	497	276	241	133	1,535	788	3,470
1935-36 3/ ..	603	274	144	140	1,547	779	3,482

Year	Ship-ments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No. 2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	314	3,493	3,203		120
1922-23	1	290	3,494	3,191	136	113
1923-24	21	303	3,843	3,495	121	105
1924-25	6/	348	3,474	3,192	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,014	3,592	154	135
1928-29	6/	422	4,417	3,800	129	112
1929-30	7	617	4,197	3,614	131	120
1930-31	112	583	4,546	3,877	80	76
1931-32	72	669	4,597	3,901	59	47
1932-33	20	696	4,570	3,781	54	51
1933-34	34	789	4,613	3,872	69	88
1934-35 3/ ..	4	741	4,215	3,683	80	98
1935-36 3/	50	532	4,069			

1/ Excludes Russia. 2/ Excludes Russia and China. 3/ Preliminary. 4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat. 5/ Not available. 6/ Less than 500,000 bushels.

Table 11.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1934-35 and 1935-36.

Period	Argentina		Australia		Danube		North America	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 - Nov. 2	65,220	40,772	35,056	31,176	440	4,896	68,672	54,368
Week ended								
Nov. 9	4,200	1,792	2,808	2,160	56	728	4,232	4,632
16	3,972	1,168	1,200	2,808	56	104	3,176	4,880
23	3,832	1,212	2,252	1,184	0	496	3,360	4,872
30	3,068	1,048	1,724	1,000	16	360	4,008	6,080
Dec. 7	3,596	1,736	1,240	1,584	0	224	2,696	3,003
14	1,552	1,373	1,908	1,879	0	288	1,768	3,236
Total	85,440	49,101	46,188	41,791	568	7,096	87,912	1/86,671

Compiled from Broomhall's Corn Trade News.
1/ Total revised to include data not available weekly.

Table 12.-United States: Exports of wheat and wheat including flour, 1934-35 and 1935-36 1/

Period	Wheat		Wheat flour		Wheat including flour	
	1934-35	1935-36	1934-35	1935-36	1934-35	1935-36
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	825	66	286	248	2,168	1,231
Aug.	1,776	8	440	270	3,845	1,278
Sept.	109	14	443	279	2,190	1,324
Oct.	57	14	397	314	1,923	1,489
Week ended						
Nov. 9	146	0	59	84	423	395
16	0	0	42	24	197	113
23	0	15	24	10	113	62
30	0	8	48	25	226	126
Dec. 7	1	24	79	15	372	94
14	0	2	50	47	235	223

Compiled from reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 13.- Wheat, including flour: Movement from principal exporting countries, 1932-33 to 1935-36

Country	Exports as given by official sources						
	Total			July 1 to date shown			
	1932-33	1933-34	1934-35	1933-34	1934-35	1935-36	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	41,210	37,002	21,532	6,132	10,125	5,322	Oct. 31
Canada	267,342	198,555	169,630	103,092	95,662	113,498	Nov. 30
Argentina	120,272	144,854	187,000	47,999	80,198	46,302	Nov. 30
Australia	148,552	86,509	108,010	9,100	7,647	7,518	July 31
Russia	19,676	33,787	4,286	8,545	1,970	11,801	Sept.30
Hungary	7,010	29,615	12,499	6,782	1,971	3,213	Sept.30
Yugoslavia	1,162	839	4,401	380	2,090	66	Oct. 31
Rumania	179	248	3,432	84	0		Oct. 31
Bulgaria	3,144	4,236	375	1,287	7	309	Sept.30
British India	2,169	2,084	2,318				
Total	610,716	537,729	513,483				

	Shipments as given by trade sources						
	Total		Week ended (1935)			July 1-Dec. 14	
	1933-34	1934-35	Nov. 30	Dec. 7	Dec. 14	1934	1935
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 1/	220,616	168,712	6,080	3,003	3,236	87,912	86,671
Canada, 4 markets 2/	194,213	176,059	7,962	8,694	1,462	129,402	165,992
United States	37,002	21,532	126	94	223	12,669	6,934
Argentina	140,128	186,228	1,048	1,736	1,373	85,440	49,101
Australia	90,736	111,028	1,000	1,584	1,879	46,188	41,791
Russia 3/	26,656	1,696	1,072	1,320	1,512	1,656	22,400
Danube and Bulgaria 3/	15,872	4,104	360	224	288	568	7,096
British India	4/ 2,084	4/ 2,318	0	0	0	312	256
Total 5/	496,092	474,686				222,076	207,315
Total European shipments 1/	401,560	387,752	7,128			6/ 175,944	6/ 146,488
Total ex-European shipments 1/	123,352	142,424	3,072			6/ 52,064	6/ 58,872

1/ Broomhall's Corn Trade News.
2/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
3/ Black Sea shipments only.
4/ Total exports as given by official sources.
5/ Total of trade figures includes North America as reported by Broomhall's, but does not include items 2 and 3.
6/ To November 30.

Table 14.-Wheat, including flour: Net imports into European countries, year beginning July 1, 1933-34 to 1935-36

Country	1933-34	1934-35	Net imports reported July 1 to	1934-35	1935-36
	Million bushels	Million bushels		Million bushels	Million bushels
Austria	11	10	Sept.30	2	2
Belgium	43	40	Sept.30	13	10
Czechoslovakia	1/	1			
Denmark	12	19	Oct. 31	5	3
Estonia	2/	2/	Aug. 31	0	0
Finland	4	4	Sept. 30	1	1
France	18	3/-17	Aug. 31	2	2/
Germany	3/-4	11	Oct. 31	5	2/
Greece	12	11			
Irish Free State	19	18	Oct. 31	7	4
Italy	8	10			
Latvia	0	1/	Aug. 31	0	3/- 1
Netherlands	24	19	Oct. 31	6	8
Norway	9	9	Oct. 31	3	2
Poland	3/-2	3/-4	Oct. 31	3/- 2	3/ - 3
Portugal	1	1	July 31	2/	2/
Spain	1/	1/	Sept.30	1/	1/
Sweden	2	3/- 2	Oct. 31	1/	3/ - 2
Switzerland	18	18	Oct. 31	6	7
United Kingdom	216	202	Oct. 31	70	65
Total	391	350		118	96

Compiled from official sources.

1/ Net exports of less than 500,000 bushels.
2/ Less than 500,000 bushels.
3/ Net exports.